In accordance with the Constitution of the Russian Federation the present Federal Law establishes general legal, territorial, organizational and economic principles for the organization of local self-government in the Russian Federation, and defines the state guarantees for exercising it.

Chapter 1. General Provisions

Article 1. Local Self-Government

1. Local self-government is one of the foundations of the constitutional system of the Russian Federation, it shall be recognised, guaranteed and exercised throughout the entire territory of the Russian Federation.

2. Local self-government in the Russian Federation is a form whereby the people exercise their power, and which ensure, within the limits set by the Constitution of the Russian Federation, federal laws, and in the cases established by federal laws by laws of Russian regions, the populace's resolving at their own discretion and on their own responsibility, directly and/or through local self-government bodies, issues of local significance on the basis of the interests of the populace with due regard to historical and other local traditions.
Article 2. Basic Terms and Notions

1. The following basic terms and notions are used for the purposes of the present Federal Law:

"rural settlement" means one or several inhabited localities (a village, stanitsa, farmstead, kishlak, aul or another rural inhabited locality) where local self-government is effectuated by the populace directly and/or through elected or other local self-government bodies;

"urban settlement" means a city/town or township with adjacent area (an urban inhabited locality may also incorporate inhabited localities not deemed rural settlements under the present Federal Law and laws of Russian regions) where local self-government is effectuated by the populace directly and/or through elected and other local self-government bodies;

"settlement" means an urban or rural settlement;

"municipal district" means several settlements or settlements and inter-settlement areas having common territory within which local self-government is effectuated for the purpose of resolving issues of local significance being common for settlements by the populace directly and/or elected and other local self-government bodies which can exercise some state powers conferred on local self-government bodies by federal laws and laws of Russian regions;

"city okrug" means an urban settlement which is not incorporated in a municipal district and whose local self-government bodies exercise the power of resolving the issues of local significance of settlement and issues of local significance of municipal district as established by the present Federal Law, and may also exercise some state powers conferred on local self-government bodies by federal laws and laws of Russian regions;

"intra-city territory of a city of federal significance" means a part of the area of a city of federal significance within which local self-government is effectuated by the populace directly and/or through elected and other local self-government bodies;

"municipal formation" means an urban or rural settlement, municipal district, city okrug or intra-city territory of a city of federal significance;

"inter-settlement area" means an area outside settlement boundaries;

"issues of local significance" means the issues relating to the direct maintaining of the vital functions of the populace of a municipal formation which are resolved according to the Constitution of the Russian Federation and the present Federal Law by the populace and/or local self-government bodies at their own discretion;
"issues of local significance common for settlements" a part of issues of local significance resolved under the present Federal Law and municipal legal acts by the populace and/or local self-government bodies of a municipal district at their own discretion;

"local self-government bodies" means bodies elected directly by the populace and/or formed by the representative body of a municipal formation as having their own powers of resolving issues of local significance;

"deputy" means a member of the representative body of a settlement, municipal district, city okrug or intra-city area of a city of federal significance;

"local self-government official" means a person who have been elected or that has signed a contract (labor contract) and who have been vested with executive powers of resolving issues of local significance and/or of organizing the operation of a local self-government body;

"elected local self-government official" means a local self-government official elected on the basis of a general equal and direct electoral right by secret ballot at municipal election;

"member of an elected local self-government body" means an elected official of a local self-government body formed by means of a municipal election;

"municipal legal act" means a decision on issues of local significance or on issues concerning the exercising of some state powers conferred on local self-government bodies by federal laws and laws of Russian regions that has been adopted by the populace of a municipal formation directly, by a local self-government body and/or a local self-government official, and that has been made in the form of a document binding in the territory of the municipal formation as establishing or amending rules of general binding nature or of individual nature;

"the administrative centre of a rural settlement, of a municipal district" means an inhabited locality that has been defined with due regard to local traditions and prevailing social infrastructure where the representative body of the municipal formation concerned is located under a law of the Russian region.

2. In laws and other regulatory legal acts of the Russian Federation the words "local" and "municipal" and the words and combinations of words formed on the basis thereof are used as having single meaning in respect of local self-government bodies as well as organizations and facilities under municipal ownership, and also in the other cases concerning the exercising of local self-government by the populace.
Article 3. The Rights of Citizens of the Russian Federation to Exercise Local Self-Government

1. Citizens of the Russian Federation (hereinafter also referred to as "citizens") shall exercise local self-government by means of taking part in local referendums, municipal elections, other forms of direct expression of will and also through elected and other local self-government bodies.

The foreign citizens who permanently or primarily reside in the territory of a municipal formation have rights in exercising local self-government in keeping with international treaties of the Russian Federation and federal laws.

2. Citizens shall enjoy equal rights to exercise local self-government, irrespective of sex, race, ethnicity, language, origin, property and office, attitude to religion, conviction, adherence to public associations.

3. The citizens' rights to exercise local-self-government which have been established by the Constitution of the Russian Federation and the present Federal Law may be limited by a federal law only to a degree required for protecting the foundations of the constitutional system, the morals, health, rights and lawful interests of other persons, ensuring national defence and state security.

4. The federal governmental bodies, the governmental bodies of Russian regions shall ensure state guarantees for the populace's rights to exercise local self-government.

Article 4. The Legal Foundation of Local Self-Government

1. The legal foundation of local self-government is made up of generally recognised principles and norms of international law, international treaties of the Russian Federation, the Constitution of the Russian Federation, federal constitutional laws, the present Federal Law, other federal laws, the regulatory legal acts of the Russian Federation issued pursuant thereto (decrees and orders of the President of the Russian Federation, decisions and orders of the Government of the Russian Federation, other regulatory legal acts of federal executive governmental bodies), the constitutions (charters), laws and other regulatory legal acts of Russian regions, the charters of municipal formations, the decisions made at local referendums and rallies of citizens and other municipal legal acts.

2. The general principles of organization of local self-government established by the present Federal Law may be amended only by the way of amending the present Federal Law.
Article 5. The Powers of Federal Governmental Bodies in the Area of Local Self-Government

1. The powers of federal governmental bodies in the area of local self-government shall be as follows:

   the setting out of the general principles of organization of local self-government in the Russian Federation established by the present Federal Law;

   the legal regulation, on issues within the cognizance of the Russian Federation and within the scope of powers of the Russian Federation on issues within the common cognizance of the Russian Federation and Russian regions, of the rights, duties and liabilities of federal governmental bodies and the officials thereof, the governmental bodies of Russian regions and the officials thereof in the area of local self-government;

   the legal regulation of the rights, duties and liabilities of citizens, local self-government bodies and local self-government officials relating to the resolution of issues of local significance;

   the legal regulation of the rights, duties and liabilities of local self-government bodies and local self-government officials in exercising specific state powers that have been conferred on local self-government bodies by federal laws in the procedure established by the present Federal Law.

2. The federal governmental bodies may exercise executive and control powers in respect of municipal formations and local self-government bodies only in the cases and in the procedure established by the Constitution of the Russian Federation, federal constitutional laws, the present Federal Law and other federal laws.

3. Where federal laws and/or other regulatory legal acts of the Russian Federation governing local self-government issues are in conflict with the Constitution of the Russian Federation, the present Federal Law, the Constitution of the Russian Federation and the present Federal Law shall be applicable.

Article 6. The Powers of Governmental Bodies of Russian Regions in the Area of Local Self-Government

1. The powers of governmental bodies of Russian regions shall be as follows:

   the legal regulations of issues of organization of local self-government in Russian regions in the cases and in the procedure
established by the present Federal Law;

the legal regulation of the rights, duties and liabilities of the governmental bodies of Russian regions and the officials thereof in the area of local self-government in the cases and in the procedure established by federal laws;

the legal regulation of the rights, duties and liabilities of local self-government bodies and local self-government officials on issues within the cognizance of Russian regions, and also within the scope of powers of governmental bodies of Russian regions on issues within the common cognizance of the Russian Federation and Russian regions;

the legal regulation of the rights, duties and liabilities of local self-government bodies and local self-government officials in exercising specific state powers which have been conferred on local self-government bodies by laws of Russian regions in the procedure established by the present Federal Law.

2. The governmental bodies of Russian regions may exercising executive and control powers in respect of municipal formations and local self-government bodies only in the cases and in the procedure established by the Constitution of the Russian Federation, federal constitutional laws, the present Federal Law, other federal laws and the laws of Russian regions enacted pursuant thereto.

3. Where the constitution (charter), a law, another regulatory legal act of a Russian region governing the issues of organization of local self-government and establishing rights, duties and liabilities of local self-government bodies and local self-government officials is in conflict with the Constitution of the Russian Federation, federal constitutional laws, the present Federal Law and other federal laws the Constitution of the Russian Federation, federal constitutional laws, the present Federal Law and other federal law shall be applicable.

Article 7. Municipal Legal Acts

1. On issues of local significance municipal legal acts shall be adopted by the populace of municipal formations directly and/or by local self-government bodies and local self-government officials.

2. On issues concerning the exercising of specific state powers that have been conferred on local self-government bodies by federal laws and laws of Russian regions municipal legal acts may be adopted on the basis of and pursuant to provisions established by appropriate federal laws and/or laws of Russian regions.

3. The municipal legal acts adopted by local self-government bodies shall be subject to immediate application throughout the entire territory
of the municipal formation.

For a failure to comply with municipal legal acts citizens, the heads of organizations, the officials of governmental bodies and the officials of local self-government bodies shall be accountable under federal laws and laws of Russian regions.

4. Municipal legal acts shall not be in conflict with the Constitution of the Russian Federation, federal constitutional laws, the present Federal Law, other federal laws and other regulatory legal acts of the Russian Federation as well as the constitutions (charters), laws, other regulatory legal acts of Russian regions.

5. If a local self-government body is of the opinion that a federal law or another regulatory legal act of the Russian Federation or a law or another regulatory legal act of a Russian region concerning issues of organization of local self-government and/or establishment of rights, duties and liabilities of local self-government bodies and local self-government officials does not comply with the Constitution of the Russian Federation, federal constitutional laws, federal laws, agreements on delineation of cognizance and powers between governmental bodies of the Russian Federation and governmental bodies of a Russian region the issue of compliance of the federal law or the other regulatory legal act of the Russian Federation or the law or the other regulatory legal act of the Russian region concerning the issues of organization of local self-government and/or establishment of rights, duties and liabilities of local self-government bodies and local self-government officials with the Constitution of the Russian Federation, federal constitutional laws, federal laws, agreements on delineation of cognizance and powers between governmental bodies of the Russian Federation and governmental bodies of a Russian region shall be resolved by an appropriate court. Until the decision of the court on declaring the federal law or the other regulatory legal act of the Russian Federation or the law or the other regulatory legal act of the Russian region or specific provisions thereof as non-compliant with the Constitution of the Russian Federation, federal constitutional laws, federal laws, agreements on delineation of cognizance and powers between governmental bodies of the Russian Federation and governmental bodies of a Russian region becomes final no municipal legal acts which are in conflict with the provisions of the federal law or the law or the other regulatory legal act of the Russian region shall be adopted.

Article 8. Municipal Co-operation

1. In every Russian region a council of municipal formations of the Russian region shall be formed for the purpose of organizing interaction of local self-government bodies, of the expression and protection of common interests of municipal formations.

2. For the purpose of organizing interaction of municipal
formations, councils of municipal formations of Russian regions, of the expression and protection of common interests of municipal formations of the Russian Federation, in particular, for the purpose of representing the said interest in federal governmental bodies and organizing co-operation of the municipal formations of the Russian Federation with international organizations and foreign juridical persons the councils of municipal formations of Russian regions may form a unified all-Russia association of municipal formations.

3. With due regard to the peculiarities of the territorial and organizational foundations of municipal formations other associations of municipal formations may be formed on a voluntary basis.

4. For the purpose of pooling up funds, material and other resources in order to resolve issues of local significance municipal associations may be formed, economic companies may be founded as well as other inter-municipal organizations in keeping with federal laws and regulatory legal acts of the representative bodies of municipal formations. For the same purpose local self-government bodies may conclude contracts and agreements. The said municipal associations shall not acquire the powers of local self-government bodies.

Article 9. The Official Symbols of Municipal Formations

1. In accordance with the federal legislation and the rules of heraldry municipal formations are entitled to establish official symbols that reflect historical, cultural, national and other local traditions and peculiar features.

2. The official symbols of municipal formations shall be subject to state registration in the procedure established by the federal legislation.

3. The official symbols of municipal formations and the procedure for formal use of these symbols shall be established by the charters of the municipal formations and/or regulatory legal acts of the municipal formations' representative bodies.

Chapter 2. The Principles of Territorial Organization of Local Self-Government

Article 10. The Territories of Municipal Formations

1. Local self-government shall be exercised throughout the entire territory of the Russian Federation in urban, rural settlements, municipal districts, city okrugs and intra-city areas of cities of
2. The boundaries of municipal formations' area shall be established and modified by laws of Russian regions in compliance with the requirements set out in Articles 11 - 13 of the present Federal Law.

The provisions of Article 11 of the present Federal Law enter into force as of the day of official publication of the present Federal Law and they shall be applicable until January 1, 2006 exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 11. The Boundaries of Municipal Formations

1. The boundaries of municipal formations shall be established and modified in compliance with the following requirements:

1) the territory of a Russian region, except for scarcely populated territories, is parted by boundary between settlements;

2) the territories of all settlements, except for territories of city okrugs and also the intra-settlement areas emerging in scarcely populated territories are incorporated in municipal districts;

3) the territory of a settlement is made up of traditional areas of inhabited localities, the common-use lands adjacent thereto, the areas of traditional use of natural resources of the population of the settlement concerned, recreational lands, settlement development lands;

4) the territory of a settlement incorporates lands, irrespective of the forms of ownership and intended purpose;

5) within the boundaries of an urban settlement there may be one city/town or one township with adjacent area as well as rural inhabited localities not deemed municipal formations;

6) within the boundaries of a rural settlement there may be one rural inhabited locality with population normally exceeding 1,000 persons (over 3,000 persons for a densely-populated area) and/or several rural inhabited localities having common area with population under 1,000 persons each (under 3,000 persons each for a densely populated area);

7) a rural inhabited locality with population under 1,000 persons normally is incorporated in an urban or rural settlement;

8) in accordance with laws of the Russian region the status of rural settlement, with the account taken of the population density of the Russian region and of accessibility of the territory of the settlement, may be conferred on an inhabited locality with population under 1,000 persons;
9) in scarcely-populated areas and in obstructed-accessibility areas a rural inhabited locality with population under 100 persons may not acquire the status of settlement and this inhabited locality may not be incorporated in a settlement if such a decision has been adopted at a rally of the citizens residing in the inhabited locality concerned;

10) the size of the territory of a settlement is set with due regard to its population numbers;

11) the boundaries of a settlement incorporating two and more inhabited localities are to be established so that for a pedestrian of any of the inhabited locality incorporated in the settlement it takes one working day to get to the administrative centre of the rural settlement and back, and that it takes one working day for an inhabitant of any of the settlements incorporated in a municipal district travelling by means of transport to get to the boundary of the municipal district. The said requirements in keeping with laws of Russian regions may not be applicable when the boundaries of municipal districts are established in scarcely-populated areas and in obstructed-accessibility areas;

12) the boundaries of a settlement shall not be crossed by the boundaries of an inhabited locality;

13) the territory of a settlement shall not be located within the territory of another settlement;

14) the territory of a city okrug is not incorporated in the territory of a municipal district;

15) the boundaries of a municipal district are established with the account taken of the need for providing favorable conditions for resolving issues of local significance common for settlements by the local self-government bodies of the municipal district and also for exercising in the entire territory of the municipal district the specific state powers conferred on the said bodies by federal laws and laws of Russian regions;

16) the boundaries of a municipal district shall not be crossed by the boundaries of a settlement.

2. The status of city okrug on an urban settlement shall be conferred by a law of the Russian region if there exist the social, transport and other infrastructure required for enabling the local self-government bodies of the urban settlement to independently resolve the city okrug's issues of local significance established by Article 16 of the present Federal Law and exercise the specific state powers conferred on the said bodies by federal laws and laws of Russian regions and also if there exist the social, transport and other infrastructure required for enabling the local self-government bodies of adjacent municipal district(s) to independently resolve the municipal district's issues of local significance established by Article 15 of the present
Federal Law and exercise the specific state powers conferred on the said bodies by federal laws and laws of Russian regions.

3. The "scarcely-populated areas" means the territories of Russian regions, specific municipal districts within Russian regions with the density of population in rural settlements over three times lower than the average population density in the rural settlements in the Russian Federation. A list of the Russian regions, specific municipal districts within Russian regions whose areas are classified as "scarcely-populated areas" shall be approved by the Government of the Russian Federation, in particular, on the proposal of the governmental bodies of Russian regions, and it may be amended not more than once in five years.

4. The "densely-populated areas" means the territories of Russian regions, specific municipal districts within Russian regions with the density of population in rural settlements over three times higher than the average population density in the rural settlements in the Russian Federation. A list of the Russian regions, specific municipal districts within Russian regions whose areas are classified as "densely-populated areas" shall be approved by the Government of the Russian Federation, in particular, on the proposal of the governmental bodies of Russian regions, and it may be amended not more than once in five years.

The provisions of Article 12 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and they shall be applicable until January 1, 2006 exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 12. Changing the Boundary of a Municipal Formation

1. The change of boundary of a municipal formation shall be effectuated by a law of the Russian region on the initiative of the populace, local self-government bodies, governmental bodies of the Russian region, federal governmental bodies in keeping with the present Federal Law. The populace's initiative for changing the boundary of a municipal formation shall be realized in the procedure established by a federal law and a law of the Russian region adopted in accordance with it for initiating the holding of a local referendum. The initiative of local self-government bodies, governmental bodies for changing the boundary of a municipal formation shall be made formal by means of decisions of the local self-government bodies, governmental bodies.

2. A change in the boundaries of municipal districts that ensues a classification of the territories of specific settlements and/or inhabited localities incorporated therein as territories of other municipal districts shall be brought about on the consent of the populace of these settlements and/or inhabited localities expressed by the voting envisaged by Part 3 of Article 24 of the present Federal Law or at rallies of citizens with due regard to opinions of the representative...
bodies of the municipal districts concerned.

3. A change in the boundaries of settlements that ensues a classification of the territories of specific inhabited localities incorporated therein as territories of other settlements shall be brought about on the consent of the populace of these inhabited localities expressed by the voting envisaged by Part 3 of Article 24 of the present Federal Law or at rallies of citizens with due regard to opinions of the representative bodies of the settlements concerned.

4. A change in the boundaries of municipal districts and settlements that not ensues a classification of the territories of specific settlements and/or inhabited localities incorporated therein as territories of other municipal districts or settlements respectively shall be brought about with due regard to the opinion of the populace expressed by the representative bodies of the municipal districts and settlements concerned.

5. A decrease in the numbers of population of rural inhabited localities of less than 50 per cent in relation to the minimum population number established by Item 6 of Part 1 of Article 11 of the present Federal Law after the establishment of the boundaries of the settlements by laws of the Russian regions in keeping with the provisions of the present Federal Law shall not be deemed a sufficient ground for local self-government, governmental bodies of the Russian regions, federal governmental bodies to initiate the procedure for changing the settlements' boundaries.

The provisions of Article 13 of the present Federal Law shall enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 13. Transforming Municipal Formations

1. "Transformation of municipal formations" is the unification of municipal formation, the division of municipal formation, the changing of the status of an urban settlement in connection with its acquiring the status of city okrug or loosing the status of city okrug.

2. The transformation of municipal formations shall be effectuated by laws of Russian regions on the initiative of the populace, local self-government bodies, governmental bodies of Russian regions, federal governmental bodies in keeping with the present Federal Law. The initiative of a populace for transforming a municipal formation shall be realized in the procedure established by a federal law and a law of the Russian region adopted in accordance with it for initiating the holding of a local referendum. The initiative of local self-government bodies, governmental bodies for transforming a municipal formation shall be made
formal by decisions of the local self-government bodies, governmental bodies.

3. A unification of two and more settlements that does not ensue a change in the boundaries of other municipal formations shall be effectuated on the consent of the populace of each of the settlements expressed by the voting envisaged by Part 3 of Article 24 of the present Federal Law or at rallies of citizens.

4. A unification of tow and more municipal districts that does not ensue a change in the boundaries of other municipal formations shall be effectuated with due regard to the populace's opinion expressed by the representative bodies of each of the municipal districts being unified.

5. A division of a settlement that ensues the formation of tow and more settlements shall be effectuated on the consent of the populace of each of the settlements being formed as expressed by the voting envisaged by Part 3 of Article 24 of the present Federal Law or at rallies of citizens.

6. A division of a municipal district shall be effectuated with due regard to the populace's opinion expressed by the representative body of the municipal district.

7. A change of the status of an urban settlement in connection with the status of city okrug being conferred thereon or with its being deprived of the status of a city okrug shall be effectuated by a law of the Russian region on the consent of the populace of the urban settlement and also on the consent of the populace of the municipal district from/in which the urban settlement is taken out/included. The opinion of the populace of the urban settlement and the opinion of the populace of the municipal district shall be obtained by means of the voting envisaged by Part 3 of Article 24 of the present Federal Law and conducted separately in the territory of the urban settlement and in the territory of the municipal district from/in which the urban settlement is taken out/included. The status of an urban settlement shall not be changed if there is no consent to it by the populace of the urban settlement and/or the populace of the municipal district.

Chapter 3. Issues of Local Significance

The provisions of Article 14 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to the legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 14. The Issues of Local Significance of a Settlement

1. For a settlement, the issues of local significance shall be as follows:
1) the formation, endorsement, execution of the budget of the settlement and control over the execution of the budget;

2) the establishment, amendment and abolition of the settlement's local taxes and fees;

3) the ownership, use and disposition of the property under the municipal ownership of the settlement;

4) the organization, within the boundary of the settlement, of electricity, heating, gas and water supply, water disposal, fuel supply to the populace;

5) the maintenance and construction of public motor roads, bridges and other transport civil engineering facilities within the boundary of the inhabited localities of the settlement, except for public motor roads, bridges and other transport civil engineering facilities of federal and regional significance;

6) the provision of housing to low-income citizens who reside in the settlement and who need an improvement of their housing conditions, in compliance with the housing legislation, the organization of construction and maintenance of municipal housing facilities, the creation of favorable conditions for housing construction;

7) the creation of favorable conditions for the provision of transport services to the public and the organization of provision of transport services to the public within the boundary of the settlement;

8) participation in the prevention and elimination of aftermath of emergencies within the boundary of the settlement;

9) the taking of primary fire safety precautions within the boundaries of the inhabited localities of the settlement;

10) the creation of favorable conditions for providing the inhabitants of the settlement with communication, public catering, trade and everyday services;

11) the organization of library service to the populace;

12) the creation of conditions for leisure arrangements and for providing the inhabitants of the settlement with the services of culture organizations;

13) the protection and conservation of the cultural heritage objects (monuments of history and culture) of local (municipal) significance located within the boundary of the settlement;

14) the fostering of favorable conditions for the development of mass physical education and sports in the territory of the settlement;
15) the creation of favorable conditions for mass recreation of the inhabitants of the settlement and the organization of arrangement of places of mass recreation of the populace;

16) the provision of assistance in the establishment of tutorship and guardianship of the inhabitants of the settlement who are in need of them;

17) the formation of archives of the settlement;

18) the organization of household waste and rubbish collection and removal;

19) the organization of landscaping and planting in the territory of the settlement, of the use and protection of the urban woods located within the boundaries of the settlement's inhabited localities;

20) the planning of settlement territory development, the zoning of settlement lands, the establishment of rules of land use and settlement territory development, the withdrawal of land plots within the boundary of the settlement for municipal needs, in particular, by means of purchase, the performance of land control over the use of settlement lands;

21) the organization of street lighting and of installation of street name and house number signs;

22) the organization of burial services and the maintenance of cemeteries.

2. The local self-government bodies of a settlement are entitled to resolve other issues which have not been put within the cognizance of the local self-government bodies of other municipal formations, governmental bodies and excluded from the scope of their powers by federal laws and laws of Russian regions only if they have own material resources and funds (except for subventions and subsidies provided out of the federal budget and the budget of a Russian region).

The provisions of Article 15 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 15. The Issues of Local Significance of a Municipal District

1. For a municipal district, the issues of local significance shall be as follows:
1) the formation, endorsement, execution of the budget of the municipal district, control over the execution of this budget;

2) the establishment, amendment and abolition of the municipal district's local taxes and fees;

3) the ownership, use and disposition of the property under the municipal ownership of the municipal district;

4) the organization, within the boundary of the municipal district, of electricity and supply for the settlements;

5) the maintenance and construction of public motor roads between inhabited localities, bridges and other transport civil engineering facilities outside the boundaries of inhabited localities within the boundary of the municipal district, except for public motor roads, bridges and other transport civil engineering facilities of federal and regional significance;

6) the creation of favorable conditions for the provision of transport services to the public and the organization of provision of transport services to the public between settlements within the boundary of the municipal district;

7) participation in the prevention and elimination of aftermath of emergencies in the territory of the municipal district;

*Item 8 of Part 1 of Article 15 of the present Federal Law enters into force as of the dates established by the federal law setting out a procedure for the organization and activity of municipal militia*

8) the organization of protection of law and order in the territory of the municipal district by the municipal militia;

9) the organization of environmental protection events/measures of inter-settlement nature;

10) the organization and performance of ecological control in respect of production and social facilities in the territory of the municipal district, except for the facilities in respect of which ecological control is performed by federal governmental bodies;

11) the organization of provision of public and gratuitous primary general, basic general, secondary (full) general education under basic general curricula, except for the powers of providing financial support to educational process that have been put within the scope of powers of governmental bodies of Russian regions; the organization of provision of supplementary education and public gratuitous pre-school education in the territory of the municipal district as well as the organization of children holiday recreation;
12) the organization of provision of urgent medical assistance (except for medical aid aviation), first medical aid in outpatient clinics and hospitals, medical assistance to women during pregnancy, labor and after delivery in the territory of the municipal district;

13) tutorship and guardianship;

14) the organization of disposal and processing of household and industrial waste;

15) the zoning of inter-settlement areas, the withdrawal of land plots of inter-settlement areas for municipal needs, in particular, by means of repurchase, the performance of land control over the use of lands of inter-settlement areas, the keeping of a registry of land tenure/management and city development documentation;

16) the formation and maintenance of municipal archives, in particular, the keeping of settlements' archives;

17) the maintenance of cemeteries, the organization of burial services in the territory of the municipal district;

18) the creation of favorable conditions for providing communication, public catering, trade and everyday services to the settlements incorporated in the municipal district;

19) the organization of library service to settlements (the provision of service of a library collector);

20) the alignment of the budget levels of the settlements incorporated in the municipal district at the expense of resources of the budget of the municipal district.

2. The local self-government bodies of a municipal district shall have all the powers of local self-government bodies in the intersettlement areas and in the rural inhabited localities not deemed municipal formations under Item 9 of Part 1 of Article 11 of the present Federal Law, in particular, the powers of local self-government bodies of settlements in terms of establishment, amendment and abolition of local taxes and fees in keeping with the legislation of the Russian Federation on taxes and fees.

3. The local self-government bodies of a municipal districts are entitled to resolve other issues which have not been put within the scope of powers of local self-government bodies of other municipal formations, governmental bodies and which have not been withdrawn from within the scope of their powers by federal laws and laws of Russian regions only if they have own material resources and funds (except for subventions and subsidies provided out of the federal budget and the budget of a Russian region).

4. The local self-government bodies of specific settlements
incorporated in a municipal district are entitled to conclude agreements with the local self-government bodies of the municipal district on the transfer to them of the right to exercise a part of their powers at the expense of subventions provided out of the budgets of these settlements into the budget of the municipal district.

The local self-government bodies of a municipal district are entitled to conclude agreements with the local self-government bodies of specific settlements incorporated in the municipal district on the transfer to them of the right to exercise a part of their powers at the expense of subventions provided out of the budget of the municipal district into the budgets of the settlements.

The said agreements shall be concluded for a certain term, they shall contain provisions setting out grounds and procedure for terminating the agreements, in particular, before due date, a procedure for assessing the annual amount of the subventions required to exercise the powers transferred, and shall also have a provision for financial sanctions for a default on the agreements.

The provisions of Article 16 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 16. The Issues of Local Significance of a City Okrug

1. For a city okrug, the issues of local significance shall be as follows:

1) the formation, endorsement, execution of the budget of the city okrug and control over the execution of this budget;

2) the establishment, amendment and abolition of the city okrug’s local taxes and fees;

3) the ownership, use and disposition of the property under the municipal ownership of the city okrug;

4) the organization, within the boundary of the city okrug, of electricity, heating, gas and water supply to the populace, water disposal, fuel supply to the populace;

5) the maintenance and construction of public motor roads, bridges and other transport civil engineering facilities within the boundary of the city okrug, except for public motor roads, bridges and other transport civil engineering facilities of federal and regional
significance;

6) the provision of housing to low-income citizens who reside in the city okrug and who need an improvement of their housing conditions, in compliance with the housing legislation, the organization of construction and maintenance of municipal housing facilities, the creation of favorable conditions for housing construction;

7) the creation of favorable conditions for the provision of transport services to the public and the organization of provision of transport services to the public within the boundary of the city okrug;

8) participation in the prevention and elimination of aftermath of emergencies within the boundary of the city okrug;

Item 9 of Part 1 of Article 16 of the present Federal Law enters into force on the dates established by the federal law setting out a procedure for the organization and activity of municipal militia

9) the organization of protection of law and order in the territory of the city okrug by the municipal militia;

10) the taking of primary fire safety precautions within the boundaries of the city okrug;

11) the organization of environmental protection events/measures within the boundary of the city okrug;

12) the organization and performance of ecological control in respect of production and social facilities in the territory of the city okrug, except for the facilities in respect of which ecological control is performed by federal governmental bodies;

13) the organization of provision of public and gratuitous primary general, basic general, secondary (full) general education under basic general curricula, except for the powers of providing financial support to educational process that have been put within the scope of powers of governmental bodies of Russian regions; the organization of provision of supplementary education and public gratuitous pre-school education in the territory of the city okrug as well as the organization of children holiday recreation;

14) the organization of provision of urgent medical assistance (except for medical aid aviation), first medical aid in inpatient clinics and hospitals, medical assistance to women during pregnancy, labor and after delivery in the territory of the city okrug;

15) the creation of favorable conditions for the provision of communication, public catering, trade and everyday services to the population of the city okrug;
16) the organization of provision of library service to the populace;

17) the creation of favorable conditions for organizing leisure and providing the services of culture organizations to the inhabitants of the city okrug;

18) the protection and conservation of the cultural heritage objects (monuments of history and culture) of local (municipal) significance located within the boundary of the city okrug;

19) the fostering of favorable conditions for the development of mass physical education and sports in the territory of the city okrug;

20) the creation of favorable conditions for mass recreation of the inhabitants of the city okrug and the organization of arrangement of places of mass recreation of the populace;

21) tutorship and guardianship;

22) the formation and maintenance of municipal archives;

23) the organization of burial services and the maintenance of cemeteries;

24) the organization of collection, removal, disposal and processing of household and industrial waste;

25) the organization of landscaping and planting in the territory of the city okrug, of the use and protection of the urban woods located within the boundaries of the city okrug;

26) the planning of city okrug territory development, the zoning of city okrug lands, the establishment of rules of land use and city okrug territory development, the withdrawal of land plots within the boundary of the city okrug for municipal needs, in particular, by means of repurchase, the performance of land control over the use of city okrug lands, the keeping of a registry of land tenure/management and city development documentation;

27) the organization of street lighting and of installation of street name and house number signs.

2. The local self-government bodies of a city okrug are entitled to resolve other issues which have not been put within the scope of powers of local self-government bodies of other municipal formations, governmental bodies and which have not been withdrawn from within their scope of powers by federal laws and laws of Russian regions only if they have own material resources and funds (except for subventions and subsidies provided out of the federal budget and the budget of a Russian region).
Article 17. The Powers of Local Self-Government Bodies Concerning Resolving Issues of Local Powers

1. For the purpose of resolving issues of local significance the local self-government bodies of settlements, municipal districts and city okrugs shall have the following powers:

1) to adopt the charter of the municipal formation and amend it, to issue municipal legal acts;

2) to establish the official symbols of the municipal formation;

3) to form municipal enterprises and institutions, to finance municipal institutions, to form and place a municipal order;

4) to set tariffs for the services provided by municipal enterprises and institutions, except as otherwise envisaged by federal laws;

5) to provide organizational and logistical support to the preparation and holding of municipal elections, a local referendum, voting on recall of a deputy, member of an elected body of local self-government, an elected local self-government official, voting on issues concerning a change in the boundaries of the municipal formation, transformation of the municipal formation;

6) to adopt and arrange for the implementation of plans and programs of comprehensive socio-economic development of the municipal formation, and to organize the gathering of statistical data characterizing the state of the municipal formation's economy and social development and to provide the data to governmental bodies in the procedure established by the Government of the Russian Federation;

7) to institute a printed mass medium for the purpose of publishing municipal legal acts, other official information;

8) to maintain international and foreign economic relations in keeping with federal laws;

9) to exercise other powers in keeping with the present Federal Law, the charter of the municipal formation.

2. The local self-government bodies of settlements and the local self-government bodies of city okrugs are entitled, in accordance with the charters of municipal formations, to make decisions on recruiting citizens for voluntary performance of works of social significance for the settlement and city okrug (in particular, duties) for the purpose of resolving the settlements' issues of local significance envisaged by Items 8, 9, 15 and 19 of Part 1 of Article 14 of the present Federal Law and the city okrugs' issues of local significance envisaged by Items 8 - 11, 20 and 25 of Part 1 of Article 16 of the present Federal Law.
Only a work not requiring a special professional/vocational training may be classified as "works of social significance".

The following may be recruited to perform works of social significance: able adult inhabitants of settlements and city okrugs during time free from their main employment or studies on a non compensation basis not more than once in three months. Here, the duration of work of social significance shall not exceed four hours in a row.

3. The powers of local self-government bodies established by the present article shall be exercised by the local self-government bodies of settlements, the local self-government bodies of city okrugs and the local self-government bodies of municipal districts independently. The local self-government body of one municipal formation shall not be subordinate to the local self-government body or a local self-government official of another municipal formation.

Article 18. The Principles of Legal Regulation of the Powers of Local Self-Government Bodies

1. The list of issues of local significance shall not be changed, except as by amending the present Federal Law.

2. The financial obligations occurring in connection with the resolution of issues of local significance shall be performed at the expense of resources of local budgets (except for subventions provided to local budgets out of the federal budget and the budgets of Russian regions). In the cases and in the procedure established by federal laws and laws of Russian regions the said obligations may be additionally financed at the expense of resources of the federal budget, federal state non-budget funds and the budgets of Russian regions.

3. Federal laws, laws of Russian regions shall not contain provisions defining the amount of expenses on the account of resources of local budgets.

Chapter 4. Conferring Specific State Powers on Local Self-Government Bodies

Article 19. The Procedure for Conferring Specific State Powers on Local Self-Government Bodies

1. The powers of local self-government bodies established by federal laws and laws of Russian regions concerning the issues which have not been classified as "issues of local significance" by the present Federal Law shall be deemed specific state powers conferred on the local self-government bodies to be exercised by them.

2. The vesting of specific state powers of the Russian Federation in local self-government bodies shall be done by federal laws, and that of specific state powers of Russian regions by laws of Russian regions. No
vesting of specific state powers in local self-government bodies shall be done by other regulatory legal acts.

Specific state powers concerning matters within the common cognizance of the Russian Federation and Russian regions may be vested in local self-government bodies unless this is in conflict with federal laws.

3. The specific state powers transferred to local self-government bodies to be exercised by them shall be exercised by the local self-government bodies of municipal districts and the local self-government bodies of city okrugs, except as otherwise established by a federal law or a law of Russian region.

4. Local self-government bodies may acquire specific state powers for an infinite term or, if these powers have a certain effective term, for the effective term of such powers.

5. Financing for specific state powers that have been transferred to local self-government bodies shall be provided only on the account of subventions granted to local budgets out of appropriate budgets.

In the cases and in the procedure specified in the charter of municipal formation local self-government bodies are entitled to additionally use their own material resources and funds to exercise specific state powers they have acquired.

6. A federal law, a law of a Russian region that envisages the vesting of specific state powers in local self-government bodies shall contain the following:

1) the type or name of the municipal formation whose local self-government bodies acquire the powers;

2) a list of the rights and duties of the local self-government bodies and also of the rights and duties of the governmental bodies as they exercise the powers;

3) the method (methodology) of calculating rates for assessing the sum total of the subventions granted to local budgets out of the federal budget, the budget of the Russian region for the purpose of exercising the powers, in particular federal or regional state minimum social standards;

4) a list of the material resources subject to transfer for use and/or administration or into municipal ownership as required for exercising the specific state powers vested in the local self-government bodies or a procedure for drawing up this list;

5) a procedure for the local self-government bodies to report on their exercising the specific state powers;
6) a procedure for the local self-government bodies to monitor the exercising of the specific state powers vested in the local self-government bodies, and the names of the bodies responsible for the said monitoring;

7) the conditions and procedure for the local self-government bodies to terminate exercising of the specific state powers.

7. The provisions of federal laws, laws of Russian regions envisaging the vesting of specific state powers in local self-government bodies shall be annually put into force by the federal law on the federal budget for next financial year, the law of the Russian region on the budget of the Russian region for next financial year respectively, on the condition that the federal law on the federal budget for appropriate financial year or the law of a Russian region on the budget of the Russian region for appropriate financial year have a provision for the granting of subventions for exercising the said powers.

Article 20. The Exercising of Specific State Powers by Local Self-Government Bodies

1. In the cases established by federal laws and laws of Russian regions the federal executive governmental bodies and the executive governmental bodies of Russian regions, acting within the scope of their powers, are entitled to issue regulatory legal acts of binding nature on issues concerning the exercising of specific state powers by local self-government bodies and to monitor the implementation thereof.

2. A non-consistence recognized by a court, of federal laws, laws of Russian regions, other regulatory legal acts of the Russian Federation that envisage the vesting of specific state powers in local self-government bodies with the provisions of Articles 19 of the present Federal Law shall be deemed a ground for refusing to exercise the said powers.

3. Local self-government bodies shall be responsible for exercising specific state powers within the limits of material resources and funds allocated to municipal formations for these purposes.

Article 21. The State Monitoring of the Exercising of Specific State Powers by Local Self-Government Bodies

1. The governmental bodies shall monitor the exercising of specific state powers by local self-government bodies as well as the use of the material resources and funds granted for these purposes.

2. Local self-government bodies and local self-government officials are obliged, in keeping with the provisions of Article 19 of the present Federal Law, to provide empowered state bodies with documents relating to
the exercising of specific state powers.

3. If a breach of the provisions of laws concerning the exercising of specific state powers by local self-government bodies or local self-government officials has been discovered empowered state bodies are entitled to issue written prescriptions for the elimination of such irregularities as being binding on the local self-government bodies and the local self-government officials. The prescriptions may be appealed to a court.

Chapter 5. The Forms of Direct Exercise of Local Self-Government by the Populace and of Participation of the Populace in Exercising Local Self-Government

Article 22. The Local Referendum

1. To have issues of local significance directly resolved by the populace a local referendum shall be held.

2. A local referendum may be held in the entire territory of a municipal formation.

3. The decision to hold a local referendum shall be adopted by the representative body of a municipal formation:

1) on the initiative of citizens of the Russian Federation who are entitled to take part in a local referendum;

2) on the initiative of electoral associations, other public associations whose charters have a provision for participation in elections and/or referendums and which have been registered in the procedure and within the terms established by a federal law;

3) on the joint initiative of the representative body of the municipal formation and the head of local administration.

4. The condition for ordering a local referendum on an initiative of the citizens, electoral associations, other public associations specified in Item 2 of Article 3 of the present article shall be the collection of signatures supporting this initiative in numbers making up at least 5 per cent of the number of the participants in the referendum registered in the territory of the municipal formation in keeping with the federal law.

An initiative for holding a referendum put forward by the citizens, electoral associations, other public associations specified in Item 2 of Article 3 of the present article shall be formalized in the procedure established by a federal law and a law of the Russian region adopted in accordance with it.

An initiative for holding a referendum put forward jointly by the representative body of a municipal formation and the head of local
administration shall be formalized by legal acts of the representative body of the municipal formation and the head of local administration.

5. The representative body of the municipal formation shall order a local referendum within 30 days after the date of receipt of documents on putting forward the initiative for holding the local referendum by the representative body of the municipal formation.

If a local referendum has not been ordered by the representative body of the municipal formation within the set term the referendum shall be ordered by a court on the application of citizens, electoral associations, the head of the municipal formation, governmental bodies of the Russian region or a prosecutor. If a local referendum has been ordered by a court the local referendum shall be organized by an electoral commission of the municipal formation and arrangements for the holding of the local referendum shall be made by the executive governmental body of the Russian region.

6. The following shall be entitled to take part in a local referendum: the citizens of the Russian Federation whose residence is located within the boundary of the municipal formation. The citizens of the Russian Federation shall participate in the local referendum on the basis of general, equal and direct voting by secret ballot.

The results of the voting and the decision adopted at the local referendum shall be subject to official publication (announcement).

7. The decision adopted at a local referendum shall be binding in the territory of the municipal formation and it does not need an approval by any governmental bodies, officials thereof or local self-government bodies.

8. Local self-government bodies shall arrange for the performance of the decision adopted at a local referendum in keeping with the delineation of powers between them as defined by the charter of the municipal formation.

9. The decision to hold a local referendum and also the decision adopted at a local referendum may be appealed to a court by citizens, local self-government bodies, a prosecutor, a governmental body empowered by a federal law.

10. The guarantees of citizens' right to participate in a local referendum shall be established by a federal law, and the procedure for preparing and holding a local referendum shall be regulated by a law of the Russian region.

Article 23. Municipal Elections

1. Municipal elections shall be held for the purpose of electing
deputies, members of the elected body of local self-government, elected local self-government officials on the basis of general, equal and direct voting by secret ballot.

2. Municipal elections shall be ordered by the representative body of the municipal formation within the term envisaged by the charter of the municipal formation. In the cases established by a federal law municipal elections shall be ordered by an appropriate electoral commission of the municipal formation or by a court.

3. The guarantees of citizens' electoral rights in the event of municipal elections, the procedure for ordering, preparing, holding municipal elections and announcing their results shall be established by a federal law and laws of Russian regions adopted in accordance with it.

4. The results of municipal elections shall be subject to official publication (announcement).


1. Voting for recall of a deputy, member of an elected local self-government body, elected local self-government official shall be conducted on the initiative of the populace in the procedure established by a federal law and a law of the Russian region adopted in accordance with it for the holding of a local referendum with due regard to the peculiarities envisaged by the present Federal Law.

2. The grounds for recalling a deputy, member of an elected local self-government body, elected local self-government official and the procedure for recalling the said persons shall be established by the charter of the municipal formation.

The grounds for recalling a deputy, member of an elected local self-government body, elected local self-government official may be only his/her specific unlawful decisions or actions (omissions) if they have been confirmed by a court.

The procedure for recalling a deputy, member of an elected local self-government body, elected local self-government official shall provide him/her with an opportunity to offer his/her explanations to the voters concerning the circumstances alleged as the ground for the recall. The deputy, member of an elected local self-government body, elected local self-government official shall be deemed recalled if at least half of the voters registered in the municipal formation (electoral okrug) have voted in favor of the recall.
3. In the cases envisaged by the present Federal Law for the purposes of obtaining the populace's consent in the event of a change in the boundary of the municipal formation, transformation of the municipal formation voting shall be held on the issues of changing the boundaries of the municipal formation, transformation of the municipal formation.

4. Voting on the issues of a change in the boundary of a municipal formation, transformation of a municipal formation shall be held in the entire territory of the municipal formation or in a part thereof in keeping with Parts 2 and 3 of Article 12, Parts 3, 5 and 7 of Article 13 of the present Federal Law.

5. Voting on the issues of a change in the boundary of a municipal formation, transformation of a municipal formation shall be ordered by the representative body of the municipal formation and it shall be held in the procedure established by a federal law and a law of the Russian region adopted in accordance with it for holding a local referendum, with due regard to the peculiarities established by the present Federal Law. Here, the provisions of the federal law, the law of the Russian region that forbid electioneering by state bodies, local self-government bodies, the persons holding state or municipal offices, and also the provisions defining the legal effect of the decision adopted at a referendum shall not be applicable.

6. Voting on the issues of a change in the boundary of a municipal formation, transformation of a municipal formation shall be deemed accomplished if more than half of the inhabitants of the municipal formation or part of the municipal formation having voting rights have taken part in the voting. The populace's consent to a change in the boundary of the municipal formation, transformation of the municipal formation shall be deemed obtained if more than half of the inhabitants of the municipal formation or part of the municipal formation who took part in the voting have voted in favor of the said change, transformation.

7. The results of voting for recall of a deputy, member of an elected local self-government body, elected local self-government official, the results of voting on the issues of a change in the boundary of a municipal formation, transformation of a municipal formation and the decisions adopted shall be subject to official publication (announcement).

Article 25. The Rally of Citizens

1. In a settlement having over 100 inhabitants with voting rights a rally of citizens shall be held to resolve issues of local significance. The rally of citizens shall be deemed competent if attended by over half of the settlement's inhabitants having voting rights.

2. The rally of citizens shall exercise the powers of a representative body of the municipal formation, in particular, those put
within the exclusive competence of the representative body of the municipal formation.

3. The rally of citizens may be convened by the head of the municipal formation at his/her own discretion or on the initiative of a group of at least ten inhabitants of settlement.

Arrangement for the rally of citizens shall be made by the head of local administration.

4. The participation of elected local self-government persons in the rally of citizens shall be deemed compulsory.

5. The rally of citizens shall be chaired by the head of the municipal formation or another person elected by the rally of citizens.

6. The decision of the rally of citizens shall be deemed adopted if over half of the citizens attending the rally of citizens have voted in favor of it.

7. Decisions adopted by the rally of citizens shall be binding in the territory of the settlement.

8. Local self-government bodies and local self-government officials shall arrange for the implementation of the decisions adopted at the rally of citizens, in keeping with the delineation of powers between them defined by the charter of the settlement.

9. Decisions adopted at the rally of citizens shall be subject to official publication (announcement).

Article 26. The Law-Making Initiative of Citizens

1. A law-making initiative may be put forward by an initiative group of citizens who have voting rights, in the procedure established by a regulatory legal act of the representative body of a municipal formation.

The minimal number of members of the initiative group of citizens shall be set by a regulatory legal act of the representative body of the municipal formation, and it shall not exceed three per cent of the number of the municipal formation's inhabitants having voting rights.

If there is no regulatory legal act of the representative body of the municipal formation regulating the procedure for implementing the law-making initiative of citizens a draft municipal legal act introduced by citizens shall be accepted for consideration and be considered in keeping with the present Federal Law.

2. The draft municipal legal act introduced in the manner of implementing the law-making initiative of citizens shall be subject to
compulsory consideration by the local self-government body or local self-government official whose scope of powers encompasses the adoption of such an act, within three months after the date when it was introduced.

Representatives of the initiative group of citizens shall be provided with an opportunity to set out their position when the said draft is being considered.

If the adoption of the legal act of which the draft has been introduced in the manner of implementing the law-making initiative of citizens is within the scope of powers of a collective local self-government body the draft shall be considered at an open meeting of the body.

3. The substantiated decision adopted on the results of consideration of the draft municipal legal act introduced in the manner of implementing the law-making initiative of citizens shall be formally in writing brought to the notice of the initiative group of citizens which has introduced the draft.

Article 27. Territorial Public Self-Government

1. The "territorial public self-government" means self organization of citizens at the place of their residence in a part of the territory of a settlement for the purpose of realizing their initiatives on issues of local significance independently and under their own responsibility.

The boundary of the territory in which a territorial public self-government is being exercised shall be established by the representative body of the settlement on the proposal of the inhabitants residing in this territory.

2. The territorial public self-government shall be exercised in settlements directly by the populace by means of holding meeting and conferences of citizens, and also by means of forming bodies of territorial public self-government.

3. The territorial public self-government may be effectuated within the following territories of residence of citizens: apartments of one entrance of an apartment block; an apartment block; a group of dwelling houses; a micro rayon of dwelling houses; a rural inhabited locality not deemed a settlement; other territories of residence of citizens.

4. Territorial public self-government bodies shall be elected at meetings or conferences of the citizens residing in the territory concerned.

5. A territorial public self-government shall be deemed instituted as of the time of registration of the charter of the territorial public self-government by the empowered local self-government body of the
settlement concerned. The procedure for registering the charter of a territorial public self-government shall be set out in the charter of the municipal formation and/or regulatory legal acts of the representative body of the municipal formation.

In accordance with its charter, the territorial public self-government may be a juridical person and be subject to state registration in the organizational legal form of a non-commercial organization.

6. A meeting of citizens on the issues of organizing and exercising a territorial public self-government shall be deemed competent if attended by at least half of the inhabitants of the territory concerned who have already come of the age of 16.

A conference of citizens on the issues of organizing and exercising a territorial public self-government shall be deemed competent if attended at least by two thirds of the delegates who have been elected at meetings of citizens and who represent at least half of the inhabitants of the territory concerned who have already come of the age of 16.

7. Below are the exclusive powers of the meeting, conference of citizens exercising a territorial public self-government:

1) to establish the structure of bodies of territorial public self-government;

2) to adopt the charter of the territorial public self-government, and to amend the charter;

3) to elect territorial public self-government bodies;

4) to designate major guidelines for activity of the territorial public self-government;

5) to approve an estimate of revenues and expenditures of the territorial public self-government and a report on the execution of the estimate;

6) to consider and approve reports on the activities of territorial public self-government bodies.

8. Territorial public self-government bodies:

1) shall represent the interests of the populace residing in the territory concerned;

2) shall arrange for the implementation of decisions adopted at meetings and conferences of citizens;

3) may pursue the economic activity of maintaining residential facilities, landscaping, other economic activities aimed at meeting the
4) are entitled to introduce to local self-government bodies draft municipal legal acts subject to compulsory consideration by these bodies and local self-government officials whose scope of powers include the adoption of these acts.

9. The following shall be established in the charter of a territorial public self-government:

1) the territory in which it is exercised;

2) the goals, tasks, the forms and basic guidelines of activity of the territorial public self-government;

3) the procedure for forming, terminating the powers, the rights and duties, the effective term of powers of the territorial public self-government bodies;

4) decision-making procedure;

5) the procedure for acquisition of property, and also the procedure for using and disposing of the said property and funds;

6) the procedure for terminating the exercising of the territorial public self-government.

10. No additional requirements shall be established to the charter of a territorial public self-government by local self-government bodies.

11. The procedure for organizing and exercising a territorial public self-government, the terms and procedure for allocating the necessary funds out of the local budget shall be set out in the charter of the municipal formation and/or regulatory legal acts of the representative body of the municipal formation.

**Article 28. Public Hearing**

1. A public hearing may be conducted by the representative body of a municipal formation, the head of a municipal formation for the purpose of discussing draft municipal legal acts on issues of local significance with the participation of inhabitants of the municipal formation.

2. The public hearing shall be conducted on the initiative of the populace, the representative body of the municipal formation or the head of the municipal formation.
3. Public hearings conducted on the initiative of the populace or the representative body of a municipal formation shall be ordered by the representative body of the municipal formation, and those on the initiative of the head of a municipal formation, by the head of the municipal formation.

3. The following shall become the subject matter of a public hearing:

1) a draft charter of a municipal formation, and also a draft municipal legal act on amendment to the charter;

2) a draft local budget and a report on the execution of a local budget;

3) draft plans and programs of development of municipal education;

4) issues concerning the transformation of a municipal formation.

4. The procedure for organizing and conducting a public hearing shall be set out in the charter of the municipal formation and/or regulatory legal acts of the representative body of the municipal formation and it shall have a provision for an advance notification of the inhabitants of the municipal formation of the time and place of the public hearing, an advance opportunity for getting acquainted with the draft municipal legal act as well as other measures ensuring the participation of inhabitants of the municipal formation in the public hearing, the publication (announcement) of the results of the public hearing.

Article 29. The Meeting of Citizens

1. Meetings of citizens may be held for the purpose of discussing issues of local significance, informing the populace about local self-government bodies' and local self-government officials' activities, exercising territorial public self-government in a part of the territory of a municipal formation.

2. The meeting of citizens shall be held on the initiative of the populace, the representative body of a municipal formation, and also in the cases envisaged by the charter of a territorial public self-government.

A meeting of citizens held on the initiative of the representative body of a municipal formation or the head of a municipal formation shall be ordered by the representative body of the municipal formation or the head of the municipal formation respectively.

A meeting of citizens held on the initiative of the populace shall be ordered by the representative body of the municipal formation in the procedure established by the charter of the municipal formation.
The procedure for ordering and holding a meeting of citizens for the purpose of exercising a territorial public self-government shall be defined in the charter of the territorial public self-government.

3. The meeting of citizens may adopt petitions to local self-government bodies and local self-government officials and may also elect persons authorized to represent the meeting of citizens in relations with local self-government bodies and local self-government officials.

A meeting of citizens held on the issues of exercising territorial public self-government shall adopt decisions on the issues put within its scope of powers by the charter of the territorial public self-government.

4. Petitions adopted by a meeting of citizens shall be subject to compulsory consideration by the local self-government bodies and local self-government officials whose scope of powers encompasses the resolution of the issues contained in the petitions, with a reply in writing being sent.

5. The procedure for ordering and holding a meeting of citizens and also the powers of a meeting of citizens shall be determined by the present Federal Law, the charter of the municipal formation and/or regulatory legal acts of the representative body of the municipal formation, the charter of the territorial public self-government.

6. The results of a meeting of citizens shall be subject to official publication (announcement).

Article 30. The Conference of Citizens (Meeting of Delegates)

1. In the cases envisaged by the charter of a municipal formation and/or regulatory legal acts of the representative body of a municipal formation, the charter of a territorial public self-government the powers of meeting of citizens may be exercised by a conference of citizens (meeting of delegates).

2. The procedure for ordering and holding a conference of citizens (meeting of delegates), for election of delegates shall be defined by the charter of the municipal formation and/or regulatory legal acts of the representative body of the municipal formation, the charter of the territorial public self-government.

3. The results of a conference of citizens (meeting of delegates) shall be subject to official publication (announcement).

Article 31. The Opinion Poll

1. An opinion poll shall be performed in respect of citizens in the
entire territory of a municipal formation or in a part of its territory for the purpose of revealing the populace's opinion and taking it into account in the decision-making of local self-government bodies and local self-government officials as well as governmental bodies.

The results of the poll shall have recommendation nature.

2. The following shall be entitled to take part in the opinion poll: the inhabitants of a municipal formation who have voting rights.

3. The opinion poll shall be conducted on the initiative of:

1) the representative body of a municipal formation or the head of a municipal formation - on issues of local significance;

2) the governmental bodies of Russian regions - for the purpose of taking into account the opinion of citizens in decision-making concerning a change in the intended purpose of lands of the municipal formation for facilities of regional and inter-regional significance.

4. The procedure for ordering and conducting an opinion poll shall be defined in the charter of a municipal formation and/or regulatory legal acts of the representative body of a municipal formation.

5. The decision to order an opinion poll shall be made by the representative body of a municipal formation. The following shall be established in the regulatory legal act of the representative body of the municipal formation whereby an opinion poll is ordered:

1) the date and duration of the poll;

2) the wording of the question(s) offered in the poll;

3) the methodology of the poll;

4) poll sheet form;

5) the minimal number of inhabitants of the municipal formation taking part in the poll.

6. The inhabitants of the municipal formation shall be notified of the opinion poll at least ten days before the poll.

7. The measures relating to the preparation and conduct of an opinion poll shall be financed:

1) on the account of local budget resources - when the opinion poll is conducted on the initiative of local self-government bodies;

2) on the account of resources of the budget of a Russian region - when the opinion poll is conducted on the initiative of governmental
Article 32. Citizens' Petitions to Local Self-Government Bodies

1. Citizens are entitled to file individual and collective petitions with local self-government bodies.

2. Within one month local self-government officials shall issue a reply in writing on the merits of citizens' petitions filed with local self-government bodies.

3. The procedure and term for consideration of citizens' petitions filed with local self-government bodies shall be established by laws of Russian regions and regulatory legal acts of the representative bodies of municipal formations adopted in accordance with them.

4. Where a local self-government official is in breach of the procedure and term for issuing a reply in writing to citizens' petitions filed with local self-government bodies he/she shall be administratively accountable under a law of the Russian region.

Article 33. Other Forms of Direct Exercising of Local Self-Government by the Populace and of Participation in the Exercising Thereof

1. Together with the forms of direct exercise by the populace of local self-government and participation of the populace in the exercise of local self-government envisaged by the present Federal Law citizens are entailed in exercising local self-government in other forms consistent with the Constitution of the Russian Federation, the present Federal Law and other federal laws, law of Russian regions.

2. The direct exercise of local self-government by the populace and the populace's participation in exercising local self-government shall be based on the principles of lawfulness and voluntary approach.

State bodies and their officials, local self-government bodies and local self-government officials shall assist the populace in the direct exercising by the populace of local self-government and the populace's participating in the exercising local self-government.

Chapter 6. Local Self-Government Bodies and Local Self-Government Officials

The provisions of Article 34 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal
Article 34. Local Self-Government Bodies

1. The structure of local self-government bodies is made up of the representative body of the municipal formation, the head of the municipal formation, the local administration (the executive body of the municipal formation), the controlling body of the municipal formation, the other bodies of local self-government envisaged by the charter of the municipal formation that have their own powers to resolve issues of local significance.

2. The availability in the structure of local self-government bodies of the representative body of the municipal formation, the head of the municipal formation, the local administration (the executive body of the municipal formation) is compulsory, except for the cases envisaged by the present Federal Law.

3. The procedure for forming, powers, the effective term of the powers, the accountability, controllability of local self-government bodies and also the other issues of organization and operation of the said bodies shall be set out in the charter of the municipal formation.

The names of the representative body of the municipal formation, the head of the municipal formation, the local administration (the executive body of the municipal formation) shall be established by a law of the Russian region with due regard to historical and other local traditions.

4. The local self-government bodies are not incorporated in the system of governmental bodies.

The participation of governmental bodies and their officials in the formation of local self-government bodies, the appointment and removal of local self-government officials is admissible only in the cases and in the procedure established by Parts 5 and 11 of Article 37 of the present Federal Law.

5. Where a newly formed municipal formation appears in an intersettlement area or an existing municipal formation undergoes transformation the structure of local self-government bodies shall be defined by the populace at a local referendum (at a rally of citizens in a municipal formation with a population of less than 100) or by the representative body of the municipal formation and it shall be recorded in the charter of the municipal formation.

A local referendum or rally of citizens on the issue of determining the structure of local self-government bodies of a newly formed municipal formation shall be ordered and arranged by governmental bodies of the
Russian region if there is an initiative to this effect by the inhabitants of the newly formed municipal formation.

The governmental bodies of a Russian region shall hold a local referendum or a rally of citizens on the issue of defining the structure of local self-government bodies of a newly formed municipal formation if within one month after the entry into force of the law of the Russian region on establishment of the boundary of the municipal formation a group of voters of the municipal formation of at least three per cent of the total number of voters of the municipal formation has initiated the holding of a local referendum (a rally of citizens), this group having arranged collection of citizens' signatures and provision of sheets of signatures to the electoral commission of the Russian region in the procedure envisaged by the present Federal Law, other federal laws for holding a local referendum. The electoral commission of the Russian region shall verify the authenticity of the citizens' signatures so collected, set a date for the local referendum (rally of citizens), exercise the other powers of the electoral commission of a municipal formation to hold a local referendum (rally of citizens) envisaged by the present Federal Law. The powers of the local administration to render organizational and logistical support to the holding of a local referendum (rally of citizens) shall be exercised by the executive governmental body of the Russian region. If there is no citizens' initiative for holding a local referendum (rally of citizens) as envisaged by the present Federal Law, the structure of local self-government bodies shall be determined by the representative body of the newly formed municipal formation upon the election thereof.

6. The following shall be established by the decision on the structure of local self-government bodies of a municipal formation adopted at a local referendum (rally of citizens):

1) the structure (list) and names of local self-government bodies;

2) the procedure for election and the powers of the head of the municipal formation, in keeping with Part 2 of Article 36 of the present Federal Law.

7. The only way to modify the structure of local self-government bodies is to amend the charter of the municipal formation.

8. A decision of the representative body of a municipal formation to change the structure of local self-government bodies shall enter into force not earlier than the expiry of the effective term of powers of the representative body of the municipal formation that has adopted the decision.

9. Expenses towards the maintenance of local self-government bodies shall be financed exclusively on the account of own resources of the budgets of the municipal formations concerned.
The provisions of Article 35 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 35. The Representative Body of a Municipal Formation

1. The representative body of a municipal formation may exercise its powers if at least two thirds of the established number of deputies have been elected.

2. The representative body of a settlement shall be composed of deputies elected at municipal elections.

3. No representative body shall be formed for a settlement if the number of its inhabitants having voting rights is under 100. In this case the powers of a representative body shall be exercised by a rally of citizens.

4. The representative body of a municipal district:

1) may be composed of the heads of the settlements incorporated in the municipal district and of the deputies of the representative bodies of these settlements who are elected by the representative bodies of the settlements from among their members at equal representation ratio, irrespective of the number of population of the settlement, as determined in the procedure established by the present article;

2) may be elected at municipal elections on the basis of general equal and direct voting by secret ballot. Here, the number of the deputies elected from one settlement shall not exceed two fifths from the established number of members of the representative body of the municipal district.

5. The representative body of a municipal district shall be formed in accordance with Item 2 of Part 4 of the present article, except as otherwise established in the procedure envisaged by Paragraph 2 of the present part.

The representative body of a municipal district shall be formed in accordance with Item 1 of Part 4 of the present article if such a decision had been supported by the representative bodies of at least two thirds of the settlements incorporated in the municipal district in the one-year term after the announcement of the initiative. An initiative for formation of the representative body of a municipal district in the procedure established by Item 1 of Part 4 of the present article shall be formalized by a decision of the representative body located within the boundary of the municipal district of the settlement. The decision shall comprise an indication of the would-be representation ratio of deputies.
of the representative bodies of settlements in the representative body of the municipal district, and also the date of beginning of operation of the representative body of the municipal district formed in keeping with the said procedure. The date of beginning of operation of the body shall not be earlier than the expiry of the effective term of powers of the representative body of the municipal district formed in keeping with Item 2 of Part 4 of the present article.

The procedure for forming the representative body of a municipal district established in accordance with the present part shall be recorded in the charter of the municipal district within one month after the beginning of operation of the representative body of the municipal district.

The procedure for forming the representative body of a municipal district established by Item 2 of Part 4 of the present article may be modified in the procedure established by Paragraph 2 of the present part not earlier than two years after the date of beginning of operation of the representative body of the municipal district formed in accordance with Item 2 of Part 4 of the present article.

6. The number of deputies of the representative body of a settlement, in particular, city okrug, shall be defined by the charter of the municipal formation and shall not be less than:

7 persons - if the population is under 1,000;
10 persons - if the population is from 1,000 to 10,000;
15 persons - if the population is from 10,000 to 30,000;
20 persons - if the population is from 30,000 to 100,000;
25 persons - if the population is from 100,000 to 500,000;
35 persons - if the population exceeds 500,000.

7. The number of deputies of the representative body of a municipal district shall be defined by the charter of the municipal district and it shall not be less than ten persons.

8. The number of deputies of the representative body of an intracity territory of a city of federal significance shall be defined by the charter of the municipal formation and it shall not be less than ten persons.

9. The representative body of a municipal formation shall have the rights of a juridical person.

10. The following shall be within the exclusive scope of powers of the representative body of a municipal formation:
1) the adoption of the charter of the municipal formation and the making of amendments to it;

2) the endorsement of the local budget and a report on the execution of the local budget;

3) the establishment, amendment and abolition of local taxes and fees in keeping with the legislation of the Russian Federation on taxes and fees;

4) the adoption of plans and programs of development of municipal education, the approval of reports on the implementation thereof;

5) the setting out of a procedure for managing and disposing of property under municipal ownership;

6) the setting out of a procedure for making decisions on the formation, re-organization and liquidation of municipal enterprises and institutions, and also for establishing tariffs for the services of municipal enterprises and institutions;

7) the setting out of a procedure for the municipal entity's participation in inter-municipal co-operation organizations;

8) the setting out of a procedure for the provision of logistical and organizational support to the activity of local self-government bodies;

9) the monitoring of the exercising of the powers of resolving issues of local significance by local self-government bodies and local self-government officials.

11. The other powers of the representative bodies of municipal formations shall be defined by federal laws and the constitutions (charters), laws of Russian regions, the charters of municipal formations adopted in accordance therewith.

12. The regulatory legal acts of the representative body of a municipal formation that envisage the establishment, amendment and abolition of local taxes and fees, the making of expenditures out of local budget resources may be introduced to the representative body of the municipal formation for consideration only on the initiative of the head of local administration or only if his/her opinion is available.

13. A regulatory legal act adopted by the representative body of a municipal formation shall be forwarded to the head of the municipal formation for signing and publication. The head of a municipal formation being the head of local administration is entitled to reject a regulatory legal act adopted by the representative body of the municipal formation. In this case the said regulatory legal act shall within ten days be returned to the representative body of the municipal formation complete
with the reasons for its rejection or with proposals for amending it. If
the head of the municipal formation rejects a regulatory legal act it
shall be again considered by the representative body of the municipal
formation. If during the second consideration the said regulatory legal act is approved in the wording adopted earlier by a majority of at least
two thirds of the established number of deputies of the representative
body of the municipal formation it shall be subject to signing by the
head of the municipal formation within seven days and to publication.

14. In accordance with the charter of a municipal formation the
activity of the representative body of the municipal formation shall be
organised by the head of the municipal formation, and if the said
official is the head of local administration, then by the chairman of the
representative body of the municipal formation elected by this body from
among its members.

15. Expenses towards the maintenance of operation of the
representative body of a municipal formation shall be envisaged in the
local budget as a separate item in keeping with the Classification of
Expenditures of the Budgets of the Russian Federation.

No management and/or disposition shall be effected by the
representative body of a municipal formation or specific deputies (groups
of deputies) in any form whatsoever of local budget resources during the
execution of the budget, except for the local budget resources allocated
towards maintaining the activity of the representative body of the
municipal formation and deputies.

16. The powers of the representative body of a municipal formation,
irrespective of the procedure whereby it is formed, may be terminated
before due date in the event of its dissolution in the procedure and on
the grounds envisaged by Article 73 of the present Federal Law. The
powers of the representative body of a municipal formation may also be
terminated:

1) if the said body has adopted a decision to dissolve itself. In
this case the decision on self-dissolution shall be adopted in the
procedure defined in the charter of the municipal formation;

2) if a decision of the higher court of a republic, kray, oblast,
city of federal significance, autonomous oblast, autonomous okrug
respectively becomes final as concerning the non-competence of given set
of deputies of the representative body of the municipal formation, in
particular, in connection with deputies resigning their commissions;

3) if the municipal formation is transformed.

17. The termination before due date of powers of the representative
body of a municipal formation shall cause termination before due date of
the deputies thereof.

18. In the event of termination before due date of powers of the
representative body of a municipal formation composed of deputies directly elected by the populace off-schedule municipal elections to the representative body of the municipal formation shall be held within three months after the entry into force of the decision whereby the powers of the said body have been terminated before due date.

19. In the event of termination before due date of powers of the representative body of a municipal district formed in keeping with Item 1 of Part 4 of the present article the representative bodies of the settlements concerned shall within one month elect other deputies to become members of the representative body of the municipal district.

The provisions of Article 36 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law

Article 36. The Head of Municipal Formation

1. The head of a municipal formation is the highest official of the municipal formation and according to the charter of the municipal formation in keeping with the present article he/she shall have his/her own powers to resolve issues of local significance.

2. In accordance with the charter of a municipal formation the head of the municipal formation:

1) shall be elected at municipal elections or by the representative body of the municipal formation from among the members thereof;

2) if elected at municipal elections he/she shall either be a member of the representative body of the municipal formation with crucial voting right and the chairperson thereof or shall be the head of administration;

3) if elected by the representative body of the municipal formation he/she shall be the chairperson of the representative body of the municipal formation;

4) shall not be simultaneously the chairperson of the representative body of the municipal formation and the head of local administration;

5) if the representative body of the municipal formation is formed in accordance with Item 1 of Part 4 of Article 35 of the present Federal Law he/she shall be the chairperson of the representative body of the municipal district.

3. The limitations established by Items 2 - 4 of Part 2 of the
present article shall not extend to the local self-government bodies of settlements having less than 1,000 inhabitants, in which the head of municipal formation, irrespective of the method whereby he/she has been elected, may simultaneously be the chairperson of the representative body of the settlement and the head of local administration. In this case, the representative body of the municipal formation may not possess the rights of a juridical person.

4. Within the scope of powers established by Part 2 of the present article the head of a municipal formation:

1) shall represent the municipal formation in relations with the local self-government bodies of other municipal formations, governmental bodies, citizens and organizations, and shall act in the name of the municipal formation without a power of attorney;

2) shall sign and publish in the procedure established by the charter of the municipal formation regulatory legal acts adopted by the representative body of the municipal formation;

3) issue legal acts within the scope of his/her powers;

4) shall be entitled to demand convocation of an off-schedule meeting of the representative body of the municipal formation.

5. The head of the municipal formation shall be accountable and shall report to the populace and the representative body of the municipal formation.

6. The powers of the head of a municipal formation shall be terminated before due date in the case of:

1) death;

2) resignation at his/her own discretion;

3) removal from office in keeping with Article 74 of the present Federal Law;

4) having been declared by a court as having no legal capacity or as having a limited legal capacity;

5) having been declared by a court as a person unaccounted for or as deceased;

6) a court sentence having become final in respect of him/her;

7) his/her leaving the Russian Federation to reside abroad;

8) termination of Russian Federation citizenship, termination of citizenship of a foreign state being a party to the international treaty of the Russian Federation under which a foreign citizen is entitled to be
elected to local self-government bodies;

9) being recalled by voters;

10) a persistent disability due to the state of health to exercise the powers of the head of municipal formation as having been established by a court;

11) termination before due date of the powers of the representative body of the municipal formation if the head of the municipal formation has been elected from among the members of this body.

The provisions of Article 37 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law.

Article 37. The Local Administration

1. According to the charter of the municipal formation local administration (the executive body of a municipal formation) has the powers to resolve issues of local significance and the powers to exercise specific state powers transferred to local self-government bodies by federal laws and laws of Russian regions.

The local administration shall be headed by head of local administration on the principle of one-man administration.

2. The head of local administration shall be the head of a municipal formation or a person appointed to the position of head of local administration under a contract concluded according to the results of a competition for this office for the effective term of powers as defined by the charter of the municipal formation.

3. The terms of the contract for the head of local administration of a settlement shall be approved by the representative body of the settlement and that for the head of local administration of a municipal district (city okrug) by the representative body of the municipal district (city okrug) in as much as it concerns the exercising of the powers to resolve issues of local significance, and a law of the Russian region, in as much as it concerns the exercising of specific state powers transferred to local self-government bodies by federal laws and laws of Russian regions.

4. Where a person is being appointed as head of local administration under a contract additional requirements to the candidates to the office of head of local administration may be established by the charter of the settlement, and where as head of local administration of a municipal
district (city okrug) - by the charter of the municipal district (city
okrug) and a law of the Russian region.

5. The procedure for announcing a vacancy for the office of head of
local administration on a competitive basis shall be established by the
representative body of the municipal formation. The procedure for filling
the vacancy on a competitive basis shall envisage the publication of
terms of the competition, the date, time and place of it, draft contract
at least 20 days before the competition.

The total number of members of a competition commission in the
municipal formation shall be established by the representative body of
the municipal formation.

The members of the competition commission of a settlement shall be
appointed by the representative body of the settlement. When a
competition commission is being formed in a municipal district (city
okrug) two thirds of its members shall be appointed by the representative
body of the municipal district (city okrug) and one third by the
legislative (representative) governmental body of the Russian region on
the proposal of the highest official of the Russian region (head of the
highest executive governmental body of the Russian region).

6. A person shall be appointed to the position of head of local
administration by the representative body of the municipal formation from
among the candidates presented by the competition commission on the
results of the competition.

A contract with the head of local administration shall be concluded
by the head of the municipal formation.

7. The local administration shall enjoy the rights of a juridical
person.

8. Local administration structure shall be approved by the
representative body of the municipal formation on the proposal of the
head of local administration. Local administration structure may
incorporate branch (functional) and territorial bodies of local
administration.

9. The head of local administration shall not be entitled to engage
in entrepreneurial, or another paid activity, except for teaching,
scientific and another creative activity.

10. The powers of head of local administration exercised under a
contract shall be terminated before due date in the event of:

1) death;

2) resignation at his/her own discretion;

3) rescission of the contract in accordance with Part 11 of the
present article;

4) removal from office in accordance with Article 74 of the present Federal Law;

5) having been declared by a court as having no legal capacity or as having a limited legal capacity;

6) having been declared by a court as a person unaccounted for or as deceased;

7) a court sentence having become final in respect of him/her;

8) his/her leaving the Russian Federation to reside abroad;

9) termination of Russian Federation citizenship, termination of citizenship of a foreign state being a party to the international treaty of the Russian Federation under which a foreign citizen is entitled to be elected to local self-government bodies.

11. The contract with a head of local administration may be rescinded by agreement of the parties or by a court on the application of:

1) the representative body of the municipal formation or the head of the municipal formation - in connection with a breach of the terms of the contract in as much as it concerns resolution of issues of local significance;

2) the highest official of the Russian region (the head of the highest executive governmental body of the Russian region) - in connection with a breach of the terms of the contract in as much as it concerns the exercising of specific state powers that have been transferred to local self-government bodies by federal laws and laws of Russian regions;

3) the head of local administration - in connection with breaches of the terms of the contract by local self-government bodies and/or governmental bodies of the Russian region.

Article 38. The Controlling Body of a Municipal Formation

1. The controlling body of a municipal formation (accounts verification chamber, auditing commission etc.) shall be formed for the purpose of monitoring the execution of the local budget, the observance of established procedure for the preparation and consideration of draft local budget, a report on the execution of the budget, and also for the purpose of monitoring the observance of established procedure for managing and disposing of property under municipal ownership.
2. The controlling body of a municipal formation shall be formed at municipal elections or by the representative body of the municipal formation in keeping with the charter of the municipal formation.

3. The results of verification performed by the controlling body of a municipal formation shall be subject to publication (announcement).

4. Local self-government bodies and local self-government officials shall provide the controlling body of a municipal formation, on its request, with the necessary information and documents on issues within their cognizance.

Article 39. The Electoral Commission of a Municipal Formation

The electoral commission of a municipal formation shall organise the preparation and holding of municipal elections, a local referendum, voting for recall of a deputy, member of an elected local self-government body, an elected local self-government official, voting on issues concerning a change in the boundary of the municipal formation, transformation of the municipal formation.

Article 40. The Status of Deputy, Member of Elected Local Self-Government Body, Elected Local Self-Government Official

1. The deputy, member of an elected local self-government body, elected local self-government official shall be provided with favorable conditions for the unfettered exercising of his/her powers.

2. The effective term of powers of a deputy, member of an elected local self-government body, elected local self-government official shall be set by the charter of the municipal formation and it shall not be less than two and more than five years.

3. The powers of a deputy, member of an elected local self-government body shall begin from the day of his/her election and shall be terminated on the day of beginning of new session of the elected local self-government body.

The powers of an elected local self-government official shall begin on the day of his/her taking the office and shall be terminated on the day when a newly elected local self-government official takes the office.

4. A decision to change the effective term of powers and also a decision to amend the list of powers of an elected local self-government
official shall only be applicable to the elected local self-government officials who have been elected after the entry into force of the decision.

5. Elected local self-government officials may exercise their powers on a permanent basis in keeping with the present Federal Law and the charter of the municipal formation.

As a rule, the deputies of the representative body of a municipal formation shall exercise their powers on a non-permanent basis.

Up to ten per cent of deputies of the established number of members of the representative body of a municipal formation may work on a permanent basis, and only one deputy may do so if the number of members of the representative body of a municipal formation is below ten.

6. Elected local self-government officials shall not be deputies of the State Duma of the Federal Assembly of the Russian Federation, members of the Federation Council of the Federal Assembly of the Russian Federation, deputies of the legislative (representative) governmental bodies of Russian regions, they shall not hold other state offices of the Russian Federation, state offices of Russian regions, or state offices of the state service and municipal offices of the municipal service.

7. The deputies, members of an elected local self-government body, elected local self-government officials exercising their powers on a permanent basis shall not be entitled to engage in entrepreneurial activity, or another paid activity, except for teaching, scientific and another creative activity.

8. The guarantees of the rights of deputies, members of elected local self-government bodies, elected local self-government officials when they are held accountable under criminal or administrative law, detained, arrested, searched, interrogated, when they are subjected to other criminal procedure actions and administrative procedure actions, and also when operative investigation measures are taken in respect of deputies, members of elected local self-government bodies, elected local self-government officials, in respect of the living and/or service premises they occupy, in respect of their luggage, personal and service vehicles, correspondence, the communication facilities they use, the documents they possess shall be established by federal laws.

9. A deputy, member of elected self-government body, elected local self-government official shall not be held accountable under criminal or administrative law for an opinion voiced, a position expressed by means of voting and another action consistent with the status of deputy, member of elected self-government body, elected local self-government official, in particular upon the expiry of the effective term of his/her powers. This provision shall not extend to cases when a deputy, member of an elected self-government body, elected self-government official has made a public insult, defamation or committed another offence for which accountability is envisaged by a federal law.
10. The powers of a deputy, member of an elected local self-government body, elected local self-government official shall be terminated before due date in the event of:

1) death;

2) resignation at his/her own discretion;

3) having been declared by a court as having no legal capacity or as having a limited legal capacity;

4) having been declared by a court as a person unaccounted for or as deceased;

5) a court sentence having become final in respect of him/her;

6) his/her leaving the Russian Federation to reside abroad;

7) termination of Russian Federation citizenship, termination of citizenship of a foreign state being a party to the international treaty of the Russian Federation under which a foreign citizen is entitled to be elected to local self-government bodies;

8) being recalled by voters;

9) termination before due date of the powers of the body of the local self-government body concerned.

10) in the other cases established by the present Federal Law.

Article 41. Local Self-Government Bodies as Juridical Persons

1. In accordance with the charter of the municipal formation the head of local administration, other local self-government bodies shall be entitled to acquire and exercise property and other rights and duties, act without a power of attorney in court in the name of the municipal formation.

2. The local self-government bodies which under the present Federal Law and the charter of the municipal formation have the rights of juridical person shall be deemed municipal institutions formed for the purpose of pursuing managerial functions and they shall be subject to state registration as juridical persons under a federal law.

As juridical persons, the representative body of a municipal formation and local administration shall act on the basis of the provisions of the present Federal Law in keeping with Federal Law No. 7-FZ of January 12, 1996 on Non-Commercial Organizations, in as much as institutions are concerned, which are common for organizations of this
The grounds for the state registration of local self-government bodies as juridical persons shall be the charter of the municipal formation and the decision whereby the local self-government body concerned has been formed with the rights of juridical person.

If there is no charter of municipal formation the grounds for the state registration of local self-government bodies as juridical persons shall be as follows:

for the representative body of a municipal formation: the minutes of the meeting of the representative body of the municipal formation that comprise a decision to confer the rights of juridical person on this representative body;

for other local self-government bodies: the decision of the representative body of the municipal formation on institution of the local self-government body concerned as having the rights of juridical person.

3. The grounds for the state registration of local administration bodies as juridical persons shall be the decision of the representative body of the municipal formation on the institution of the body concerned and the approval of regulations on this body by the representative body of the municipal formation.

Article 42. The Municipal Service

The legal regulation of the municipal service, in particular, requirements to the municipal offices of the municipal service, the definition of the status of municipal employee, the terms and procedure for undergoing municipal service shall be provided by a federal law and also by laws of Russian regions and the charters of municipal formations adopted in accordance with it.

Chapter 7. Municipal Legal Acts

Article 43. The System of Municipal Legal Acts

1. The system of municipal legal acts shall incorporate the following:

1) the charter of the municipal formation;

2) the legal acts adopted at a local referendum (rally of citizens), the regulatory and other legal acts of the representative body of the municipal formation;

3) the legal acts of the head of the municipal formation, the
2. The charter of the municipal formation and the decisions that were adopted at a local referendum (rally of citizens) and formalised as legal acts shall be deemed the acts of highest legal effect within the system of municipal legal acts, they shall have direct effect and shall be applicable in the entire territory of the municipal formation.

The other municipal legal acts shall not be in conflict with the charter of the municipal formation and the legal acts adopted at a local referendum (rally of citizens).

3. On the issues put within its scope of powers by federal laws, laws of a Russian region, the charter of the municipal formation the representative body of the municipal formation shall adopt decisions to establish rules binding in the territory of the municipal formation, and also decisions on the issues of organization of the activity of the representative body of the municipal formation.

4. The head of a municipal formation, acting within the scope of his/her powers established by the charter of the municipal formation and decisions of the representative body of the municipal formation, shall issue decisions and orders on the issues of organization of activity of the representative body of the municipal formation if the head of the municipal formation is chairman of the representative body of the municipal formation, or decisions and orders on the issues specified in Part 6 of the present article if the head of the municipal formation is head of local administration.

5. The chairman of the representative body of a municipal formation shall issue decisions and orders on the issues of organization of activity of the representative body of the municipal formation.

6. The head of local administration, acting within the scope of his/her powers established by federal laws, law of Russian regions, the charter of the municipal formation, regulatory legal acts of the representative body of the municipal formation, shall issue decisions on issues of local significance and issues relating to the exercising of specific state powers that have been transferred to local self-government bodies by federal laws and laws of Russian regions, and also orders on the issues of organization of operation of the local administration.

7. Other local self-government officials shall issue orders and instructions on the issues put within the scope of their powers by the charter of the municipal formation.
1. The following shall be set out in the charter of a municipal formation:

1) the name of the municipal formation;

2) a list of issues of local significance;

3) the forms of, procedure for and guarantees of participation of the populace in resolving issues of local significance, in particular, by means of forming bodies of territorial public local-self government;

4) the structure of and procedure for the formation of local self-government bodies;

5) the names and powers of elected and other local self-government bodies, local self-government officials;

6) the types, procedure for the adoption (issuance), the official publication (announcement) and the entry into force of municipal legal acts;

7) the effective term of powers of the representative body of the municipal formation, of deputies, members of the elected local self-government bodies, elected local self-government officials, and also the grounds and procedure for terminating the powers of the said bodies and persons;

8) the types of accountability of local self-government bodies and local self-government officials, the grounds for the onset of this accountability and the procedure for resolving issues concerned, in particular, the grounds and procedure for the recall by the populace of elected local self-government officials, for the termination before due date of powers of elected local self-government bodies and elected local self-government officials;

9) the procedure for forming, approving and executing the local budget, and also the procedure for monitoring the execution of the budget in keeping with the Budget Code of the Russian Federation;

10) the procedure for amending the charter of the municipal formation.

2. The charter of a municipal formation shall govern other issues of organization of local self-government in keeping with federal laws and laws of Russian regions.

3. The charter of a municipal formation shall be adopted by the representative body of the municipal formation, and in settlements with less than 100 inhabitants having voting rights, directly by the populace at a rally of citizens.

4. A draft charter of a municipal formation, draft municipal legal
act on amending the charter of a municipal formation shall, at least 30
days before the date of consideration of the issue of adopting the
charter of the municipal formation, amending the charter of the municipal
formation, be subject to official publication (announcement) with a
simultaneous publication (announcement) of the procedure for keeping
record of suggestions for the draft charter, the draft municipal legal
act, and also the procedure for participation of citizens in the
discussion thereof established by the representative body of the
municipal formation.

5. The charter of a municipal formation, a municipal legal act on
amending the charter of a municipal formation shall be adopted by a
majority of two thirds of votes of the established number of deputies of
the representative body of the municipal formation.

6. The charter of a municipal formation, a municipal legal act on
amending the charter of a municipal formation shall be subject to state
registration with bodies of justice in the procedure established by a
federal law. The grounds for a refusal to grant state registration to the
charter of a municipal formation, a municipal legal act on amending the
charter of a municipal formation may be as follows:

1) non-consistency of the charter with the Constitution of the
Russian Federation, federal laws and the constitutions (charters) and
laws of Russian regions adopted in accordance with them;

2) a breach of the procedure for adopting a charter, a municipal
legal act on amending a charter established by the present Federal Law.

7. Refusal to grant state registration to the charter of a municipal
formation, a municipal legal act on amending the charter of a municipal
formation, and also a breach of established term of state registration of
the charter of a municipal formation, a municipal legal act on amending
the charter of a municipal formation may be appealed by citizens and
local self-government bodies to a court.

8. The charter of a municipal formation, a municipal legal act on
amending the charter of a municipal formation shall be subject to official
publication (announcement) after their state registration and
they shall enter into force after their official publication
(announcement).

Amendments made to the charter of a municipal formation as changing
the structure of local self-government bodies, the powers of local
self-government bodies and elected local self-government bodies shall enter into force upon the expiry of the effective term of powers of the
representative body of the municipal formation that has adopted the
municipal legal act on amending the charter as mentioned above.

Article 45. Decisions Adopted by a Direct Expression of Citizens' Will
1. The resolution of issues of local significance directly by the citizens of a municipal formation shall be effected by means of a direct expression of will of the populace of the municipal formation at a local referendum (rally of citizens).

2. If for implementing a decision that has been adopted by a direct expression of will of the populace of a municipal formation there is a need for the adoption (issuance) of a municipal legal act the local self-government body or local self-government official whose scope of powers encompasses the adoption (issuance) of the said act shall, within 15 days after the entry into force of the decision adopted at a referendum (rally of citizens), set a term for the preparation and/or adoption of an appropriate municipal legal act. The said term shall not exceed three months.

3. A breach of the term of publication of a municipal legal act required to implement a decision adopted by a direct expression of will of the populace shall be deemed a ground for recalling an elected local self-government official, dismissal of the head of local administration or termination before due date of the powers of an elected local self-government body.

Article 46. Preparation of Municipal Legal Acts

1. Draft municipal legal acts may be introduced by deputies of the representative body of a municipal formation, the head of a municipal formation, other elected local self-government bodies, the head of local administration, territorial public self-government bodies, initiative groups of citizens and also by the other persons having the right of law-making initiative as established by the charter of the municipal formation.

2. The procedure for introducing draft municipal legal acts, a list and form of the documents to be attached thereto shall be established by a regulatory legal act of the local self-government body or the local self-government official to which the drafts are introduced for consideration.

Article 47. The Entry into Force of Municipal Legal Acts

1. Municipal legal acts shall enter into force in the procedure established by the charter of the municipal formation, except for regulatory legal acts of local self-government representative bodies on taxes and fees which enter into force in accordance with the Tax Code of the Russian Federation.
2. The municipal legal acts affecting the rights, freedoms and duties of the human being and citizen shall enter into force upon their official publication (announcement).

3. The procedure for publishing (announcing) municipal legal acts shall be established by the charter of the municipal formation and it shall provide citizens with an opportunity to get acquainted with them, except for the municipal legal acts or the specific provisions thereof that contain information of which the dissemination is restricted by a federal law.

Article 48. Repealing and Suspending Municipal Legal Acts

Municipal legal acts may be repealed or suspended by the local self-government bodies and the local self-government officials which have adopted (issued) them, by a court; and in much as it concerns regulation of the exercising by local self-government bodies of specific state powers transferred to them by federal laws and laws of Russian regions, by the empowered governmental body of the Russian Federation (the empowered governmental body of a Russian region).

Chapter 8. The Economic Foundation of Local Self-Government

Article 49. The Economic Foundation of Local Self-Government

1. The economic foundation of local self-government is made up of property under municipal ownership, resources of local budgets and also the rights in rem of municipal formations.

2. Municipal ownership is recognised and protected by the state equally with other forms of ownership.

The provisions of Article 50 of the present Federal Law enter into force as of the date of official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Articles 84 and 85 of the present Federal Law

Article 50. Municipal Property

1. The following may be held in ownership of municipal formations:
1) the property specified in Parts 2 - 4 of the present article which is intended for resolving the issues of local significance established by the present Federal Law;

2) property intended for exercising specific state powers transferred to local self-government bodies in the cases established by federal laws and laws of Russian regions;

3) property intended for ensuring the activities of local self-government bodies and local self-government officials, municipal employees, workers of municipal enterprises and institutions in accordance with regulatory legal acts of the representative body of the municipal formation.

2. The following may be in the ownership of settlements:

1) property intended for supplying electricity, heating, gas and water to the populace, water disposal, fuel supply to the populace, for street lighting in the inhabited localities of the settlement;

2) public motor roads, bridges and other transport civil engineering facilities within the boundaries of inhabited locality of the settlement, except for public motor roads, bridges and other transport civil engineering facilities of federal and regional significance, as well as property intended for maintaining them;

3) social-use housing facilities intended for the purpose of supplying the low-income citizens residing in the settlement who are in need of an improvement in their housing conditions with living premises on the terms of a contract of social lease, and also property required for maintaining the municipal housing facilities;

4) passenger transport facilities and other property intended for providing transport services to the public within the boundary of the settlement;

5) property intended for preventing and eliminating the aftermath of emergencies within the boundary of the settlement;

6) facilities and also fire-fighting equipment and implements intended for primary fire-fighting measures;

7) libraries;

8) property intended for organizing leisure and providing the inhabitants of the settlement with the services of culture organizations;

9) cultural heritage objects (monuments of history and culture) of local (municipal) significance located within the boundary of the settlement;
10) property intended for developing mass physical culture and sports in the territory of the settlement;

11) property intended for organizing landscaping and planting in the territory of the settlement, in particular, for arranging the places of common use and places of public recreation;

12) property intended for collecting and removing household waste and rubbish;

13) property, in particular, land plots intended for the organization of burial services and the maintenance of cemeteries;

14) property intended for the official publication (announcement) of municipal legal acts, other official information;

15) the land plots classified as municipal property of the settlement in keeping with federal laws;

16) isolated water facilities in the territory of the settlement;

17) the forests located within the boundaries of inhabited localities of the settlement.

3. The following may be in the ownership of municipal districts:

1) property intended for supplying electricity and gas to settlements within the boundary of the municipal district;

2) public motor roads between inhabited localities, bridges and other transport civil engineering facilities outside the boundaries of inhabited localities within the boundary of the municipal district, except for public motor roads, bridges and other transport civil engineering facilities of federal and regional significance, and also property intended for maintaining them;

3) passenger transport facilities and other property intended for the provision of transport services to the public between settlements in the territory of the municipal district;

4) property intended for organizing and performing ecological control;

5) property intended for preventing and eliminating the aftermath of emergencies in the territory of the municipal district;

6) property intended for organizing the protection of law and order in the territory of the municipal district by the municipal militia;

7) property intended for ensuring public and free pre-school, primary general, basic general, secondary (full) general education, and also providing supplementary education and organizing children holiday
recreation;

8) property intended for rendering emergency medical assistance in the territory of the municipal district (except for medical aid aviation), primary medical aid in outpatient clinics and hospitals, of medical assistance to women during pregnancy, labor and after delivery;

9) property intended for the disposal and processing of household and industrial waste;

10) archives, in particular, the registry of land tenure/management and city development documentation, and also property intended for the storage of the archives;

11) property, in particular, land lots intended for maintaining inter-settlement cemeteries in the territory of the municipal district, and the organization of burial services;

12) inter-settlement libraries and library collectors;

13) property required for the official publication (announcement) of municipal legal acts, other official information;

14) land plots classified as "municipal property of the municipal district" under federal laws;

15) isolated water facilities in the territory of the municipal district located in the inter-settlement area of the municipal district.

4. City okrugs may have under their ownership all the types of property listed in Parts 2 and 3 of the present article.

5. In the event of emergence of municipal formations' right of ownership to property which is not intended for exercising specific state powers transferred to local self-government bodies, for supporting the activities of local self-government bodies and local self-government officials, municipal employees, workers of municipal enterprises and institutions or which has not been classified as the types of property listed in Parts 2 and 3 of the present article the said property shall be subject to re-classification (i.e. its intended purpose is to be changed) or alienation. The procedure and term for alienating such property shall be established by a federal law.

6. The peculiarities of emergence, exercising and terminating a right of municipal ownership, and also the procedure for keeping record of municipal property shall be established by a federal law.

Article 51. Possessing, Using and Disposing of Municipal Property
1. In the name of the municipal formation local self-government bodies shall at their own discretion possess, use and dispose of municipal property in keeping with the Constitution of the Russian Federation, federal laws and regulatory legal acts of local self-government bodies adopted in accordance with them.

2. Local self-government bodies are entitled to transfer municipal property for temporary or permanent use to natural and juridical persons, governmental bodies of the Russian Federation (governmental bodies of a Russian region) and local self-government bodies of other municipal formations, to alienate and accomplish other transactions in accordance with federal laws.

3. The procedure and terms of privatisation of municipal property shall be defined by regulatory legal acts of local self-government bodies in keeping with federal laws.

Incomes from the use and privatisation of municipal property shall come to local budgets.

4. Local self-government bodies may form municipal enterprises and institutions, take part in the formation of companies, in particular, inter-municipal as needed for exercising the powers to resolve issues of local significance.

Local self-government bodies shall define the goals, conditions and procedure for the operation of municipal enterprises and institutions, approve their charters, appoint and dismiss heads of these enterprises and institutions, hear reports on the activities thereof in the procedure envisaged by the charter of the municipal formation.

In the name of the municipal formation local self-government bodies shall be subsidiarily liable for the obligations of municipal institutions and shall ensure the performance of the obligations in the procedure established by a federal law.

Article 52. Local Budgets

1. Every municipal formation shall have its own budget (local budget).

The budget of a municipal district and the entirety of budgets of the settlements incorporated in the municipal district make up the consolidated budget of the municipal district.

The estimates of revenues and expenditures of specific inhabited localities not deemed settlements may be considered as an integral part of the budgets of settlements. The procedure for elaborating, approving and executing these estimates shall be defined by the local
self-government bodies at their own discretion.

2. Local self-government bodies shall ensure the well-balanced nature of local budgets and the observance of the requirements to regulation of legal relationships, the pursuance of budget process, local budget deficit amounts, the level and composition of debt, the performance of budget obligations and debt obligations of municipal formations established by federal laws.

3. The formation, approval, execution of a local budget and the monitoring of the execution thereof shall be done by local self-government bodies at their own discretion in the observance of the requirements established by the Budget Code of the Russian Federation and the present Federal Law and also laws of Russian regions adopted in accordance with them.

4. In the procedure established by federal laws and other regulatory legal acts of the Russian Federation adopted in accordance with them local self-government bodies shall provide federal governmental bodies and/or governmental bodies of Russian regions with reports on the execution of local budgets.

5. In local budgets a separate provision shall be made for the revenues used towards exercising local self-government bodies' powers to resolve issues of local significance as well as the subventions granted for ensuring the exercising by local self-government bodies of specific state powers which have been transferred thereto by federal laws and laws of Russian regions, and also the expenditures of local budget which are being made on the account of the said revenues and subventions.

6. A draft local budget, the decision on approval of a local budget, the annual report on the execution of a local budget, quarterly data on the progress of execution of a local budget and on the strength of municipal employees of local self-government bodies, employees of municipal institutions complete with an indication of actual expenses incurred to provide allowance of money to them shall be subject to official publication.

The local self-government bodies of a settlement shall provide the inhabitants of the settlement with an opportunity for getting acquainted with the said documents and data if they cannot be published.

Article 53. Local Budget Expenditures

1. Local budget expenditures shall be effected in the forms envisaged by the Budget Code of the Russian Federation.

Local self-government bodies shall keep registers of expenditure obligations of municipal formations in accordance with the requirements set out in the Budget Code of the Russian Federation in the procedure
established by a decision of the representative body of the municipal formation.

2. Local self-government bodies shall at their own discretion assess the rates and terms of remuneration for the labor of the deputies, members of elected local self-government bodies, elected local self-government officials exercising their powers on a permanent basis, municipal employees, workers of municipal enterprises and institutions, they shall establish municipal minimal social standards and the rates of other local budget expenditures towards resolving issues of local significance.

In the municipal formations whose level of rated budget supply assessed in keeping with Articles 60 and 61 of the present Federal Law is a ground for the provision of subsidies for the purpose of aligning the level of budget supply of the municipal formation, the rate of remuneration for the labor of the deputies, members of elected self-government bodies, elected self-government officials exercising their powers on a permanent basis, municipal employees, workers of municipal enterprises and institutions shall be determined in accordance with the maximum rates established by a law of the Russian region.

3. The municipal district budget expenditures intended for aligning the level of budget supply of settlements shall be effected in keeping with Parts 3 and 4 of Article 60 of the present Federal Law.

4. Expenditures of the budgets of municipal districts where the representative bodies of municipal are formed in accordance with Item 1 of Part 4 of Article 35 of the present Federal Law towards resolving issues of local significance of inter-municipal nature established by Items 5, 6, 12 - 14 and 16 of Part 1 of Article 15 of the present Federal Law shall be effected within the limits and on the account of the subventions granted out of the budgets of the settlements incorporated in the municipal district, in the procedure envisaged by Part 2 of Article 55 of the present Federal Law.

5. The procedure for effecting expenditures of local budgets towards exercising specific state powers which have been transferred to local self-government bodies by federal laws and laws of Russian regions shall be established by federal governmental bodies and governmental bodies of Russian regions respectively.

In the cases and in the procedure envisaged by the said laws and other regulatory legal acts of the Russian Federation and Russian regions adopted in accordance with them the performance of expenditures of local budgets towards the exercising by local self-government bodies of specific state powers which have been transferred to them by federal laws and laws of Russian regions may be regulated by regulatory legal acts of local self-government bodies.

6. No local budget expenditure shall be made towards financing the powers of federal governmental bodies, governmental bodies of Russian
regions, except for the cases established by federal laws, laws of Russian regions.

Article 54. The Municipal Order

1. Local self-government bodies and the municipal institutions empowered by them may acts as customers for the delivery of goods, performance of works and provision of services relating to the resolution of issues of local significance and the exercising of specific state powers which have been transferred to local self-government bodies by federal laws and laws of Russian regions.

2. A municipal order for the delivery of goods, performance of works and provision of services shall be paid for on the account of local budget resources. The placement of the said municipal order shall be effected by tender, except for cases when a municipal order is placed by means of requesting quotations for goods, works and services or cases when goods, works and services are purchased from a sole contractor.

3. The procedure for forming, placing, performing and monitoring the completion of a municipal order shall be established by the charter of the municipal formation and regulatory legal acts of local self-government bodies in keeping with federal laws and other regulatory legal acts of the Russian Federation.

Article 55. Local Budget Revenues

1. Local budgets' own revenues shall be as follows:

1) citizens' self-assessment amounts in keeping with Article 56 of the present Federal Law;

2) revenues from local taxes and feed in keeping with Article 57 of the present Federal Law;

3) revenues from regional taxes and fees in keeping with Article 58 of the present Federal Law;

4) revenues from federal taxes and fees in keeping with Article 59 of the present Federal Law;

5) gratuitous remittance amounts out of budgets of other levels, in particular, subsidies intended for aligning the budget supply of municipal formations granted in keeping with Articles 60 and 61 of the present Federal Law, other financial assistance amounts out of budgets of other levels provided in keeping with Article 62 of the present Federal Law as well as other gratuitous remittance amounts;
6) revenues from property under municipal ownership;

7) the portion of municipal enterprises' profits remaining after taxes, fees and other mandatory payments, at the rates set by regulatory legal acts of the representative bodies of a municipal formation and the portion of incomes from the provision of services for a pay by local self-government bodies and municipal institutions that remains after taxes and fees;

8) the fines the imposition of which under a federal law is within the scope of powers of local self-government bodies;

9) voluntary donations;

10) other revenues in keeping with federal laws, laws of Russian regions and decisions of local self-government bodies.

2. The composition of own revenues of budgets of the municipal districts where the representative bodies of municipal districts are formed in accordance with Item 1 of Part 4 of Article 35 of the present Federal Law shall incorporate subventions granted out of budgets of the settlements incorporated in the municipal district for the purpose of resolving issues of local significance that have intermunicipal character as established by Items 5, 6, 12 - 14 and 16 of Part 1 of Article 15 of the present Federal Law.

The amount of the said subventions shall be set by the representative local self-government body of the municipal district according to the rate which is uniform for all the settlements incorporated in a given municipal district calculated as per inhabitant or per consumer of budget services of the settlement concerned.

3. The composition of own revenues of local budgets may be changed by a federal law only if a change occurs in the list of issues of local significance established by Articles 14 - 16 of the present Federal Law and/or in the system of taxes and fees of the Russian Federation.

A federal law envisaging the making of a change in the composition of local budgets' own revenues shall enter into force as of the beginning of next financial year but in any case three months after its adoption.

4. The revenues of local budgets shall include subventions granted to enable local self-government bodies exercise specific state powers which have been transferred to them by federal laws and laws of Russian regions in keeping with Article 63 of the present Federal Law.

5. Record of the transactions of distribution of revenues from taxes and fees according to the deduction rates set in compliance with Articles 57 - 61 of the present Federal Law shall be kept in the procedure established by the Budget Code of the Russian Federation.
Article 56. Citizens' Self-Assessment Amounts

1. The "citizens' self-assessment amounts" means citizens' one-off payments effected to resolve specific issues of local significance. The amount of citizens' self-assessment payments shall be set in absolute terms uniform for all the inhabitants of the municipal formation, except for some categories of citizens whose numbers shall not exceed 30 per cent of the total number of inhabitants of the municipal formation, and for whom the amount of payment may be reduced.

2. The issues of instituting and using the citizens' one-off payments mentioned in Part 1 of the present article shall be resolved at a local referendum (rally of citizens).

Article 57. Local Budget Revenues from Local Taxes and Fees

1. A list of local taxes and fees and the powers of local self-government bodies to institute, amend and abolish them shall be established by the legislation of the Russian Federation on taxes and fees.

2. The local self-government bodies of a city okrug shall have the powers to institute, amend and abolish local taxes and fees established by the legislation of the Russian Federation on taxes and fees for the local self-government bodies of settlements and municipal districts.

3. Revenues from local taxes and fees shall be entered in the budgets of municipal formations at the tax rates set by decisions of representative local self-government bodies in keeping with the legislation of the Russian Federation on taxes and fees, and also at the deduction rates in keeping with Part 4 of the present article, except for the cases established by Part 5 of Article 60 and Part 4 of Article 61 of the present Federal Law.

4. The revenues from local taxes and fees which are subject to entry in keeping with the legislation of the Russian Federation on taxes and fees in the budgets of municipal districts may be entered in the budgets of the settlements incorporated in a municipal district in accordance with the deduction rates which are uniform for all these settlements and which have been established by regulatory legal acts of the representative body of the municipal district.

The setting of the said rates by a decision of the representative body of a municipal district on the budget of the municipal district for next financial year or another decision for a limited term is prohibited.

Article 58. Local Budgets' Revenues from Regional Taxes and Fees
1. Revenues from regional taxes and fees shall be entered in local budgets at the tax rates established by laws of Russian Federation in keeping with the legislation of the Russian Federation on taxes and fees, and also at the deduction rates in accordance with Parts 2 and 3 of the present article, Part 2 of Article 60 and Part 3 of Article 61 of the present Federal Law, except for the cases established by Part 5 of Article 60 and Part 4 of Article 61 of the present Federal Law.

2. The revenues from certain types of regional taxes and fees which are subject to entry under the legislation of the Russian Federation on taxes and fees in the budget of a Russian region may be entered in local budgets at the deduction rates which are uniform for all the settlements or municipal districts of this Russian region and which have been established by a law of the Russian region.

The setting of the said rates by a law of a Russian region on the budget of the Russian region for next financial year or another law of the Russian region for a limited term is prohibited.

3. The revenues from regional taxes and fees which are subject to entry under a law of a Russian region in the budgets of municipal districts may be entered in the budgets of the settlements incorporated in a municipal district at the deduction rates which are uniform for all these settlements and which have been established by decisions of the representative body of the municipal district.

The setting of the said rates by a decision of the representative body of a municipal district on the budget of the municipal district for next financial year or another decision for a limited term is prohibited.

4. Revenues from regional taxes and fees shall be entered in the budgets of city okrugs at the tax rates and/or the deduction rates set by laws of Russian regions in keeping with the legislation of the Russian Federation on taxes and fees for the purposes of entering a revenue from a specific regional tax (fee) in the budgets of settlements and established by laws of Russian regions on taxes and fees for the purposes of entering revenues from a specific regional tax (fee) in the budgets of municipal districts, except for the case established by Part 4 of Article 61 of the present Federal Law.

Article 59. Local Budgets' Revenues from Federal Taxes and Fees

1. Revenues from federal taxes and fees shall be entered in local budgets at the deduction rates in compliance with Parts 2 - 4 of the present article, Part 2 of Article 60 and Part 3 of Article 61 of the present Federal Law and/or the tax rates established by the legislation of the Russian Federation on taxes and fees, except for the cases established by Part 5 of Article 60 and Part 4 of Article 61 of the
present Federal Law.

2. The Budget Code of the Russian Federation and/or the legislation of the Russian Federation on taxes and fees establish the tax rates and/or deduction rates for the purposes of entering revenues from a certain type of federal tax (fee) to specific local budgets which are uniform for all settlements or municipal districts.

3. In accordance with the deduction rates which are uniform for all settlements or municipal districts of a given Russian region and which have been established by a law of the Russian region the revenues from federal taxes and fees subject to entry in the budget of the Russian region in keeping with the Budget Code of the Russian Federation and/or the legislation of the Russian Federation on taxes and fees may be entered in local budgets.

The setting of the said rates by a law of a Russian region on the budget of the Russian region for next financial year and/or another law of a Russian region for a limited term is prohibited.

4. The revenues from federal taxes and fees subject to entry in the budgets of municipal districts in keeping with the Budget Code of the Russian Federation, the legislation of the Russian Federation on taxes and fees and/or a law of a Russian region may be entered in the budgets of the settlements incorporated in a municipal district in compliance with the deduction rates which are uniform for all these settlements and which have been established by decisions of the representative body of the municipal district.

The setting of the said rates by a decision of the representative body of a municipal district on the budget of the municipal district for next financial year or another decision for a limited term is prohibited.

5. Revenues from federal taxes and fees shall be entered in the budgets of city okrugs at the tax rates and/or deduction rates established by the legislation of the Russian Federation on taxes and fees for the purposes of entering revenues from a specific federal tax (fee) in the budgets of settlements and established by the legislation of the Russian Federation on taxes and fees for the purposes of entering revenues from a specific federal tax (fee) in the budgets of municipal districts, except for the case established by Part 4 of Article 61 of the present Federal Law.

Article 60. Aligning Settlements' Level of Budget Supply

1. Settlements' level of budget supply shall be aligned by means of granting subsidies out of a regional fund for financial support to settlements maintained within the expenditure items of the budget of a Russian region and district funds for financial support of settlements maintained within the expenditure items of the budgets of municipal
2. The regional fund for financial support to settlements shall be maintained and subsidies out of it shall be provided in the procedure established by the present Federal Law and the Budget Code of the Russian Federation for the purposes of alignment on the basis of number of inhabitants of the settlements and the financial capabilities of the settlements' local self-government bodies to exercise their powers of resolving the issues of local significance.

The amounts of subsidies out of a regional fund for financial support to settlements shall be set for each settlement of a Russian region, except for the settlements specified in Part 5 of the present article, as calculated per inhabitant of the urban, rural settlement.

The said subsidies may be fully or partially replaced with supplementary rates of deduction from federal and regional taxes and fees set for the budgets of settlements. The procedure for calculating these rates shall be established by a law of the Russian region in keeping with the provisions of the Budget Code of the Russian Federation.

The distribution of subsidies out of a regional fund for financial support to settlements and/or the supplementary rates of deduction from federal and regional taxes and fees subject to entry in the budgets of settlements shall be approved by a law of the Russian region on the budget of the Russian region for next financial year.

3. Where local self-government bodies of municipal districts have been provided with the state powers of a Russian region in terms of aligning the budget supply levels of settlements the subsidies out of a regional fund for financial support to settlements envisaged by Part 2 of the present article shall be provided out of the budget of the municipal district on the account of subventions granted out of the budget of the Russian region and/or by means of the setting, by the representative body of the municipal district for the settlements incorporated in the municipal district, of supplementary rates of deductions from federal and regional taxes and fees in the procedure established by a law of the Russian region in keeping with the provisions of the Budget Code of the Russian Federation.

See the procedure for entry into force of the provisions concerning distribution of resources of the district fund for financial support to settlements established by Part 4 of Article 60 of the present Federal Law.

4. District funds for financial support to settlements shall be maintained and subsidies out of them shall be provided in the procedure established by a law of a Russian region in keeping with the provisions of the Budget Code of the Russian Federation proceeding from the level of budget supply of settlements, the financial capability of the local
self-government bodies of the settlements incorporated in the municipal
district to exercise their powers to resolve issues of local
significance.

Subsidies out of district funds for financial support to settlements
shall be distributed among the settlements incorporated in the municipal
district concerned and whose level of rated budget supply does not exceed
the level of rated budget supply of settlements calculated as a criterion
for the provision of these subsidies to the budgets of settlements in
accordance with the methodology endorsed by a law of the Russian region
in keeping with the provisions of the Budget Code of the Russian
Federation.

The use of actual revenue and expenditure indicators for the
accounting period or planned period forecast revenues and expenditures
indicators of specific urban, rural settlement shall not be used to
assess the level of rated budget supply of the settlements.

The distribution of subsidies out of a district fund for financial
support to settlements shall be approved by a decision of the
representative body of the municipal district on the budget of the
municipal district for next financial year.

5. If the level of rated budget supply of a settlement to the
alignment of level of rated budget supply of settlements in the
accounting financial year assessed as per inhabitant is twice or trice as
high as the average level for a given Russian region a provision may
be made by a law of the Russian region on the budget of the Russian
region for next financial year for the remittance of subventions out of the
budget of a given settlement to the regional fund for financial support
to settlements, or in case when the municipal formation does not comply
with the requirements set in this law of the Russian region on the
remittance of subventions, for the centralisation of a portion of
revenues from local taxes and fees and/or for a decrease for this
settlement of the rate of deduction from federal and regional taxes and
fees down to a level ensuring the receipt of funds by the regional fund
for financial support to settlements in the amount of the said subventions.

The procedure for calculating the level of budget supply of
settlements in the accounting financial year, assessing the amount of the
said subventions, centralising a portion of revenues from local taxes and
fees and/or reducing the rate of deduction from federal and regional
taxes and fees shall be established by a law of the Russian region in
keeping with the provisions of the present Federal Law and the Budget

The amount of the subvention envisaged by the present part for a
settlement shall not exceed 50 per cent of the difference between the
total revenues of the settlement's budget taken into account in the
assessment of the level of budget supply of the settlement in the
accounting financial year and doubled average level of budget supply of
settlements for the Russian region.

See the procedure for entry into force of the provisions of Article 61 of the present Federal Law concerning the distribution of subsidies out of regional funds for financial support to municipal districts (city okrugs)

Article 61. Aligning the Level of Budget Supply of Municipal District (City Okrugs)

1. The alignment of level of budget supply of municipal districts (city okrugs) shall be performed by means of providing subsidies out of regional funds for financial support to municipal districts (city okrugs).

Regional funds for financial support to municipal districts (city okrugs) shall be maintained and subsidies out of them shall be provided in the procedure established by a law of the Russian region in keeping with the provisions of the Budget Code of the Russian Federation, for the purpose of aligning, proceeding from the level of budget supply of municipal districts (city okrugs), of local self-government bodies' financial capability to exercise their powers to resolve issues of local significance.

Subsidies out of regional funds for financial support to municipal districts (city okrugs) shall be distributed proceeding from the level of budget supply of municipal districts (city okrugs) in accordance with Part 2 of the present article and also proceeding from the number of inhabitants of the municipal districts (city okrugs) in accordance with Part 3 of the present article.

2. Subsidies out of regional funds for financial support of municipal districts (city okrugs) shall be distributed among the municipal districts (city okrugs) of the Russian region where the level of rated budget supply of the municipal district's (city okrug's) budget does not exceed the level of rated budget supply of municipal districts (city okrugs) assessed as a criterion for the provision of the said subsidies to the budgets of municipal districts (city okrugs) according to the methodology approved by a law of the Russian region in keeping with the provisions of the Budget Code of the Russian Federation.

The general provisions governing the procedure for assessing the level of rated budget supply of municipal districts (the budgets of city okrugs) and the methodology for distribution of subsidies out of regional funds for financial support to municipal districts (city okrugs) shall be established by the Budget Code of the Russian Federation.

Using accounting period actual revenues and expenditures indicators or planned period forecast revenues and expenditures indicators for specific municipal districts (city okrugs) to assess the level of rated
budget supply of the municipal districts (the budgets of city okrugs) is prohibited.

The distribution of subsidies out of regional funds for financial support to municipal districts (city okrugs) shall be approved by a law of the Russian region on the budget of the Russian region for next financial year.

3. In the cases and in the procedure established by the Budget Code of the Russian Federation a part of subsidies out of the regional fund for financial support to municipal districts (city okrugs) may be provided to each municipal district (city okrug) of the Russian region assessed as per inhabitant, except for the municipal districts (city okrugs) specified in Part 4 of the present article.

In the cases and in the procedure established by the Budget Code of the Russian Federation, a law of a Russian region may establish a different procedure for calculating the said part of subsidies for a municipal district and for a city okrug provided out of a regional fund for financial support to municipal districts (city okrugs) assessed as per inhabitant of the municipal district (city okrug).

The said subsidies may be fully or partially replaced by supplementary rates of deduction from federal and regional taxes and fees to the budgets of municipal districts (city okrugs). The procedure for calculating these rates shall be established by a law of the Russian region in keeping with the provisions of the Budget Code of the Russian Federation.

The distribution of subsidies out of regional funds for financial support to municipal districts (city okrugs) and/or the supplementary rates of deduction from federal and regional taxes and fees to the budgets of municipal districts (city okrugs) that replace them shall be approved by a law of the Russian region on the budget of the Russian region for next financial year.

4. If the level of budget supply of a municipal district (city okrug) to alignment of the level of budget supply of municipal districts (city okrugs) in the accounting financial year assessed as per inhabitant is twice or trice as high as the average level for a given Russian region a provision may be made by a law of the Russian region on the budget of the Russian region for next financial year for the remittance of subventions out of the budget of this municipal district (city okrug) to the regional fund for financial support to municipal districts (city okrugs), or if the municipal formation does not comply with the requirement of the said law of the Russian region for the remittance of subventions, for the centralisation of a portion of revenues from local taxes and fees and/or for a decrease for a given municipal district (city okrug) of the rates of deduction from federal and regional taxes and fees down to a level ensuring the receipt of funds by the regional fund for financial support to municipal districts (city okrugs) in the amount of the said subventions.
The procedure for calculating the level of budget supply of municipal districts (city okrugs) in the accounting financial year, assessing the amounts of the said subventions and centralising a portion of revenues from local taxes and fees and/or reducing the rates of deduction from federal taxes and fees shall be established by a law of the Russian region in keeping with the provisions of the present Federal Law and the Budget Code of the Russian Federation.

The amount of the subvention envisaged by the present part for a municipal district (city okrug) shall not exceed 50 per cent of the difference between the total revenues of the municipal district's (city okrug's) budget taken into account in the calculation of level of budget supply of the municipal district (city okrug) in the accounting financial year and the doubled average level of budget supply of municipal districts (city okrugs) for the Russian region.

Article 62. Other Means of Financial Assistance to Local Budgets out of Budgets of Other Levels

1. For the purpose of providing local budgets with subsidies for the purpose of a share financing of investment programs and projects of development of the public infrastructure of municipal formations within the expenditures of a Russian region's budget there may be formed a municipal development fund.

The selection of investment programs and projects, and also of the municipal formations to which these subsidies are to be provided shall be effected in the procedure established by laws of Russian regions in keeping with the provisions of the Budget Code of the Russian Federation.

The distribution of subsidies out of a municipal development fund among municipal formations shall be approved by a law of the Russian region on the budget of the Russian region for next financial year.

2. For the purpose of providing subsidies to local formations' budgets for the purpose of share financing high-priority socially significant expenditures of the municipal formations' budgets within the expenditures of the budget of a Russian region there may be formed a fund for co-financing social expenditures.

The intended purpose, the terms for providing and spending the said subsidies shall be established by a law of the Russian region.

The selection of municipal formations to which the said subsidies are to be provided, and the distribution of the said subsidies among the municipal formations shall be done according to a uniform methodology approved by laws of Russian regions in keeping with the provisions of the Budget Code of the Russian Federation.
3. In the cases and in the procedure envisaged by federal laws and laws of a Russian regions other financial assistance may be provided to the budgets of municipal formations out of the federal budget and the budgets of Russian regions in the forms envisaged by the Budget Code of the Russian Federation.

4. In accordance with the federal law on the federal budget for next financial year subsidies out of the federal budget may be entered in a municipal development fund and a fund for co-financing social expenditures.

Article 63. The Provision of Subventions to Local Budgets to Enable Local Self-Government Bodies to Exercise Specific State Powers

1. The total amount of subventions granted out of the federal budget and the budget of a Russian region to local budgets to enable local self-government bodies to exercise the specific state powers which have been transferred thereto shall be set by the federal law on the federal budget for next financial year and the law of the Russian region on the budget of the Russian region for next financial year separately for each of the said state powers.

2. Subventions intended to enable local self-government bodies to exercise the specific state powers which have been transferred thereto shall be granted to local budgets out of a regional compensation fund formed within the budget of the Russian region. This fund shall be maintained on the account of:

1) subventions out of the federal compensation fund intended to enable local self-government bodies to exercise the specific state powers which have been transferred thereto by federal laws;

2) other revenues of the budget of the Russian region in an amount required for the exercising by local self-government bodies of the specific state powers which have been transferred thereto by laws of Russian regions.

3. Subventions out of a regional compensation fund shall be distributed among all the Russian region's municipal formations whose local self-government bodies exercise the specific state powers which have been transferred thereto, pro rata to the number of inhabitants (specific groups of inhabitants) or consumers of the municipal formation's budget services concerned with the account taken of the objective conditions affecting the value of these budget services (disbursable amount) and they shall be approved by a law of the Russian region on the budget of the Russian region for next financial year for each municipal formation and each type of subvention.

The formation, distribution, remittance and record-keeping of subventions granted out of a regional compensation fund shall be done in
the procedure established by the Budget Code of the Russian Federation.

4. Subventions granted out of a federal compensation fund for the purpose of exercising of specific state powers which have been transferred to local self-government bodies by federal laws shall be distributed among all Russian regions in the procedure established by the Budget Code of the Russian Federation pro rata to the number of inhabitants (specific groups of inhabitants) or consumers of the Russian region's budget services concerned with the account taken of the objective conditions affecting the value of these budget services (disbursable amount) and they shall be approved by the federal law on the federal budget for next financial year for each Russian region and each type of subvention.

Article 64. Municipal Borrowing

Municipal formations are entitled to borrow, in particular on the account of issuance of municipal securities, in the procedure established by the representative local self-government body in keeping with the provisions of federal laws and other regulatory legal acts of federal governmental bodies.

Article 65. The Execution of a Local Budget

1. The local budget shall be executed in compliance with the Budget Code of the Russian Federation.

2. The head of financial body of local administration shall be appointed from among persons meeting the qualification standards set by the Government of the Russian Federation.

3. Cash servicing for the execution of the budget of a municipal formation shall be provided in the procedure established by the Budget Code of the Russian Federation.

4. The territorial bodies of the federal executive governmental body in charge of taxes and fees shall keep record of taxpayers by the municipal formation and they provide information to the financial body of local administration on the accrual and payment of the taxes and fees subject to entry in the budget of the municipal formation, in accordance with the legislation of the Russian Federation on taxes and fees in the procedure established by the Government of the Russian Federation.

Chapter 9. Inter-Municipal Co-operation
Article 66. Councils of the Municipal Formations of Russian Regions

1. A council of the municipal formations of Russian region shall be formed in each Russian region.

The organization and activity of the councils of the municipal formations of Russian regions shall be effectuated in accordance with the provisions of Federal Law No. 7-FZ of January 12, 1996 on NonCommercial Organizations applicable to associations.

2. The congress (meeting of members) of the council of municipal formations of a Russian region shall:

1) approve the charter of the council of municipal formations of the Russian region;

2) set the rates and procedure for the payment of membership dues for the purpose of pursuing the activity of the council of municipal formations of the Russian region and maintaining the administrative bodies of the council of municipal formations;

3) elect the administrative bodies of the council of municipal formations of the Russian region;

4) exercise the other powers specified by the charter of council of municipal formations of the Russian region.

3. The council of municipal formations of a Russian region is neither entitled to interfere into the activities of municipal formations, nor to limit the activities thereof.

Article 67. The All-Russia Association of Municipal Formations

1. The councils of municipal formations of Russian regions may form a single All-Russia association of municipal formations.

The single All-Russia association of municipal formations shall be deemed formed on the condition that it incorporates the councils of municipal formations of at least two thirds of the Russian regions.

The single All-Russia association of municipal formations may incorporate other associations of municipal formations.

In the procedure set out by the President of the Russian Federation the single All-Russia association of municipal formations shall lay its proposals concerning nominees to the positions of representatives of the Russian Federation in the Chamber of Local Authorities of the Congress of Local and Regional Authorities of Europe and nominees to the positions of members of the delegation of the Russian Federation attending the
2. The single All-Russia association of municipal formations shall neither be entitled to interfere in the activities of municipal formations, councils of the municipal formations of Russian regions, other associations of municipal formations, nor to limit the activities thereof.

Article 68. Inter-Municipal Companies

1. For the purpose of jointly resolving issues of local significance the representative bodies of municipal formations may decide to institute inter-municipal companies in the form of close joint-stock companies and limited liability companies.

2. Inter-municipal companies shall pursue their activities in accordance with the Civil Code of the Russian Federation, other federal laws.

The state registration of inter-municipal companies shall be effected in accordance with Federal Law No. 129-FZ of August 8, 2001 on the State Registration of Juridical Persons.

Article 69. Non-Commercial Organisations of Municipal Formations

1. The representative bodies of municipal formations may decide to form non-commercial organizations in the form of autonomous noncommercial organizations and funds.

2. Non-commercial organizations of municipal formations shall pursue their activities in keeping with the Civil Code of the Russian Federation, the federal law on non-commercial organizations, other federal laws.

Chapter 10. The Accountability of Local Self-Government Bodies and Local Self-Government Officials, Control and Supervision over Their Activities

Article 70. The Accountability of Local Self-Government Bodies and Local Self-Government Officials

Local self-government bodies and local self-government officials shall be accountable to the populace of the municipal formation, the state, natural and juridical persons in accordance with federal laws.

Article 71. The Accountability of Deputies, Members of Elected Local Self-Government Bodies, Elected Local Self-Government
Officials to the Populace

1. The grounds for onset of the accountability to the populace of deputies, members of elected local self-government bodies, elected local self-government officials and the procedure for resolving issues relating thereto shall be defined by the charters of municipal formations in keeping with the present Federal Law.

2. The populace of a municipal formation are entitled to recall deputies, members of elected local self-government bodies, elected local self-government officials in keeping with the present Federal Law.

Article 72. The Accountability of Local Self-Government Bodies and Local Self-Government Officials to the State

The accountability of local self-government bodies and local self-government officials to the state shall emerge on the basis of a decision of an appropriate court if they violate the Constitution of the Russian Federation, federal constitutional laws, federal laws, the constitution (charter), laws of a Russian region, the charter of a municipal formation, and also if the said bodies and officials inappropriately exercise the specific state powers conferred thereon.

Article 73. The Accountability of Representative Body of a Municipal Formation to the State

1. If an appropriate court has established that the representative body of a municipal formation has adopted a regulatory legal act inconsistent with the Constitution of the Russian Federation, federal constitutional laws, federal laws, the constitution (charter), laws of a Russian region, the charter of the municipal formation, and if the representative body of the municipal formation has not taken within the scope of its powers measures within three months after the entry into force of the court's decision or within another term set by the court's decision for performing the court's decision, in particular, has not repealed the regulatory legal act concerned then the highest official of the Russian region (the head of the highest executive governmental body of the Russian region) shall introduce, within one month after the entry into force of the court decision which has established the fact of defaulting on this decision, a bill of the Russian region on dissolution to the representative body of the municipal formation before the legislative (representative) governmental body of the Russian region.

2. The powers of representative body of a municipal formation shall be terminated as of the date of entry into force of a law of the Russian region on dissolution of the body.

3. A law of a Russian region on dissolution of the representative body of a municipal formation may be appealed to a court within ten days
after its entry into force.

The court shall consider the complaint and make its decision within ten days after the filing of the complaint.

Article 74. The Accountability of Head of a Municipal Formation and Head of Local Administration to the State

1. The highest official of a Russian region (head of the highest executive governmental body of a Russian region) shall issue a legal act on removal from office of the head of a municipal formation or the head of a local administration if:

   1) the said local self-government official has issued a regulatory legal act which is inconsistent with the Constitution of the Russian Federation, federal constitutional laws, federal laws, the constitution (charter), laws of a Russian region, the charter of the municipal formation, provided such inconsistency has been established by an appropriate court and this official has not taken measures within the scope of his/her powers for performing the decision of the court within two months after the date of entry into force of the court's decision or within another term envisaged by the court's decision;

   2) the said local self-government official has committed actions, in particular, has issued a legal act not having regulatory character, ensuing an infringement on the rights and freedoms of the human being and citizens, a menace to the unity and territorial integrity of the Russian Federation, the national security of the Russian Federation and its defensive capability, the entirety of the legal and economic area of the Russian Federation, the spending of subventions out of the federal budget or the budget of the Russian region different from its intended purpose, provided it has been established by an appropriate court and the said official has not taken measures within the scope of his/her powers for performing the court's decision.

2. The term within which the highest official of a Russian region (head of the highest executive governmental body of a Russian region) issues a legal act on removal from office of the head of a municipal formation or the head of a local administration shall not be shorter than one month after the entry into force of the last court decision required for the purposes of issuing this act and it shall not exceed six months after the entry into force of this court decision.

3. The head of a municipal formation or the head of a local administration in respect of which a legal act on removal from office has been issued by the highest official of a Russian region (head of the highest executive governmental body of a Russian region) is entitled to take appeal from this legal act to a court within ten days after the official publication thereof.
The court shall consider the complaint and take its decision within ten days after the filing thereof.

Article 75. Temporary Exercising of Specific Powers of Local Self-Government Bodies by Governmental Bodies

1. Specific powers of local self-government bodies may be temporarily exercised by governmental bodies of Russian regions if:

1) due to a natural calamity, disaster, another emergency situations there is no representative body of the municipal formation and local administration and if they cannot be formed in keeping with the present Federal Law;

Item 2 of Part 1 of Article 75 of the present Federal Law enters into force as of January 1, 2008

2) due to decisions, actions (omissions) of local self-government an overdue debt of municipal formations has emerged in terms of performance of their debt and/or budget obligations as having been assessed in the procedure established by the Budget Code of the Russian Federation as exceeding 30 per cent of municipal formation budgets' own revenues in the accounting financial year and/or an overdue debt of municipal formations in terms of their performing budget obligations that exceeds 40 per cent of budget appropriations in the accounting financial year, on the condition that the budget obligations of the federal budget and the budgets of Russian regions in respect of the budgets of the said municipal formations have been honoured;

3) in the exercising of specific transferred state powers on the account of subventions granted to local budgets, local self-government bodies have spent budget resources in a way different from their intended purpose or have violated the Constitution of the Russian Federation, a federal law, other regulatory legal acts as having been established by an appropriate court.

2. In the cases established by Item 1 of Part 1 of the present article the decision on the temporary exercising by executive governmental bodies of a Russian region of certain powers of local self-government bodies shall be made by the highest official of the Russian region (head of the highest executive governmental body of the Russian region) on the basis of a decision of a representative local self-government body or a decision of the legislative (representative) governmental body of the Russian region adopted by a majority of at least two thirds of votes of the established number of deputies. The decree (decision) of the highest official of the Russian region (head of the highest executive governmental body of the Russian region) on the temporary exercising by executive governmental bodies of the Russian
region of specific powers of local self-government bodies shall contain the following:

1) a list of the specific powers of local self-government bodies being exercised by the executive governmental bodies of the Russian region as having been established by the present Federal Law, other federal laws;

2) a list of the executive governmental bodies of the Russian region and/or the officials appointed by governmental bodies of the Russian region vested with the duty to exercise specific powers of local self-government bodies complete with an indication of distribution of these powers among them;

3) the term during which the executive governmental bodies of the Russian region exercise the specific powers of local self-government bodies as not exceeding the period of time until the elimination of the circumstances specified in Item 1 of Part 1 of the present article;

4) the sources of and procedure for financing the temporary exercising of the specific powers of local self-government bodies by the executive governmental bodies of the Russian region.

3. The governmental bodies of Russian regions shall not simultaneously exercise the powers of local self-government bodies to adopt the charter of a municipal formation, amend the charter, establish the structure of local self-government bodies, change the boundary of a municipal formation, transform a municipal formation.

Part 4 of Article 75 of the present Federal Law enters into force as of January 1, 2008

4. In the case specified in Item 2 of Part 1 of the present article a temporary financial administration shall be instituted by a decision of the arbitration court of a Russian region for a term of up to one year in a certain municipal formation on the petition of the highest official of the Russian region (head of the highest executive governmental body of the Russian region) and/or the representative body of a municipal formation, the head of a municipal formation.

The temporary financial administration shall not be instituted on a petition of the highest official of the Russian region (head of the highest executive governmental body of the Russian region) during one-year term after the commencement of the powers of the representative body of the municipal formation.

For the purpose of restoring the solvency of the municipal formation the temporary financial administration in keeping with a federal law shall take measures for restructuring the overdue debt of the municipal formation, elaborate amendments to the budget of the municipal formation
for the current financial year, a draft budget of the municipal formation
for next financial year, present them to the representative body of the
municipal formation for consideration and approval, and in the cases
envisaged by a federal law, to the highest executive governmental body of
the Russian region for approval by a law of the Russian region, arrange
for monitoring the implementation of the budget of the municipal
formation, and also exercise other powers in keeping with the present
Federal Law.

5. In the case envisaged by Item 3 of Part 1 of the present article
a decision on the temporary exercising by executive governmental bodies
of a Russian region of specific powers of local self-government bodies
shall be made by the highest executive governmental body of the Russian
region as involving a simultaneous withdrawal of subventions relating
thereto.

6. The decisions of governmental bodies of Russian regions mentioned
in this article may be appealed to a court. The court shall consider the
complaint and adopt its decision with ten days after the filing thereof.

7. In the procedure and in the cases established by federal laws
specific powers of local self-government bodies may be temporarily
exercised by federal governmental bodies.

Article 76. The Accountability of Local Self-Government Bodies and
Local Self-Government Officials to Natural and Juridical Persons

The accountability of local self-government bodies and local
self-government officials to natural and juridical persons shall emerge in
the procedure established by federal laws.

Article 77. Control and Supervision over the Activities of Local
Self-Government Bodies and Local Self-Government
Officials

1. The bodies of the prosecutor's office of the Russian Federation
and other bodies empowered by a federal law shall supervise the
observance by local self-government bodies and local self-government
officials of the Constitution of the Russian Federation, federal
constitutional laws, federal laws, the constitutions (charters), laws of
Russian regions, the charters of municipal formations, municipal legal
acts.

2. The empowered governmental bodies shall monitor the exercising by
local self-government bodies and local self-government officials of the
specific powers which have been transferred thereto.
3. The local self-government bodies and the local self-government officials having controlling functions in accordance with the charter of the municipal formation shall monitor the compliance of activities of local self-government bodies and local self-government officials with the charter of the municipal formation and the regulatory legal acts of the municipal formation's representative body adopted in accordance therewith.

Article 78. Taking Appeal to a Court from the Decisions Adopted by Means of a Direct Expression of Citizens' Will, the Decisions and Actions (Omissions) of Local Self-Government Bodies and Local Self-Government Officials

The decisions adopted by means of a direct expression of citizens' will, the decisions and actions (omissions) of local self-government bodies and local self-government officials may be appealed to a court or an arbitration court in the procedure established by a law.

Chapter 11. The Peculiarities of Organization of Local Self-Government

Article 79. The Peculiarities of Organization of Local Self-Government in the Russian Regions of Federal-Significance Cities of Moscow and St. Petersburg

1. In the federal-significance cities of Moscow and St. Petersburg local self-government shall be exercised in compliance with the charters of these Russian regions by local self-government in intra urban areas.

2. In the federal-significance cities of Moscow and St. Petersburg the establishment and modification of the boundaries of intra-urban municipal formations as well as the transformation thereof shall be effectuated by laws of the federal-significance cities of Moscow and St. Petersburg with the account taken of the opinion of the populace of the intra-urban areas concerned.

3. A list of issues of local significance, the sources of revenues of local budgets of the intra-urban municipal formations of the federal-significance cities of Moscow and St. Petersburg shall be set out by laws of the Russian regions being the federal-significance cities of Moscow and St. Petersburg proceeding from the need for preserving the integrity of the city utility systems. The sources of revenues of local budgets which have been established by the present Federal Law, other federal laws and which have not been classified under laws of the Russian regions being the federal-significance cities of Moscow and St. Petersburg as the sources of revenues of budgets of intra-urban municipal formations shall be entered in the budgets of the Russian regions being the
federal-significance cities of Moscow and St. Petersburg.

4. The composition of municipal property of intra-urban municipal formations of the federal-significance cities of Moscow and St. Petersburg shall be defined by laws of the Russian regions being the federal-significance cities of Moscow and St. Petersburg in keeping with Parts 1 - 3 of Article 50 of the present Federal Law and the list of issues of local significance established for these municipal formations by laws of the Russian regions being the federal significance cities of Moscow and St. Petersburg.

Article 80. The Peculiarities of Organization of Local Self-Government in Restricted-Access Administrative-Territorial Formations

1. The restricted-access administrative-territorial formations shall be deemed city okrugs.

2. The peculiarities of local self-government in restricted access administrative-territorial formations shall be established by a federal law.

Article 81. The Peculiarities of Organization of Local Self-Government in the Science Cities

1. The science cities shall be deemed city okrugs.

2. The peculiarities of local self-government in the science cities shall be established by a federal law.

Article 82. The Peculiarities of Organization of Local Self-Government in Areas Adjacent to the State Border

The peculiarities of local self-government in the areas adjacent to the state border shall be established by the federal law setting out the border area regime.


Article 83. The Entry into Force of the Present Federal Law

1. With the exception of the provisions for which the present chapter sets other terms and procedure for entry into force, the present Federal Law shall enter into force as of January 1, 2006.
2. The present chapter shall enter into force as of the date of the official publication of the present Federal Law.

3. The provisions of Articles 11 - 16, 34 - 37 and 50 of the present Federal Law shall enter into force as of the date of the official publication of the present Federal Law and until January 1, 2006 they shall be applicable exclusively to legal relationships emerging by virtue of the provisions of Article 84 and 85 of the present Federal Law.

Item 8 of Part 1 of Article 15 and Item 9 of Part 1 of Article 16 of the present Federal Law shall enter into force on the dates set by the federal law that defines the procedure for the organization and activities of the municipal militia.

4. The provisions concerning distribution among settlements of resources of a fund for financial support to settlements established by Part 4 of Article 60 of the present Federal Law shall enter into force as follows:

1) when municipal districts' draft budgets for the Years 2006, 2007, 2008 and 2009 are being formed and approved, a portion of resources of district funds for financial support to settlements may be distributed by means of using actual revenues and expenditures indicator for the accounting period or the settlement's budget revenues and expenditures forecast for the planned period;

2) the share of the resources of district funds for financial support to settlements specified in Item 1 of the present part in the total amount of resources of the fund concerned shall not exceed:

- 50 per cent in 2006;
- 40 per cent in 2007;
- 30 per cent in 2008;
- 20 per cent in 2009.

5. The provisions of Article 61 of the present Federal Law on distribution of subsidies out of regional funds for financial support to municipal districts (city okrugs) shall enter into force as follows:

1) when Russian regions' draft budgets for the Years 2006, 2007 and 2008 are being formed and approved a portion of resources of regional funds for financial support to municipal districts (city okrugs) may be distributed by means of using the indicators of actual or forecast revenues and expenditures of municipal districts' (city okrugs') budgets;

2) the amount of resources of a regional fund for financial support to municipal districts (city okrugs) specified in item 1 of the present part as share of the total amount of resources of the fund concerned
shall not exceed:

40 per cent in 2006;

30 per cent in 2007;

20 per cent in 2008.


Article 84. The Peculiarities of Local Self-Government in the Transitional Period

1. The election of local self-government bodies, local self-government officials in the municipal formations which have been formed before the entry into force of the present federal law shall be effected in the procedure and on the dates set by the charters of the said municipal formations, except in the case of:

   a change in the boundary of the municipal formation in the procedure envisaged by Part 3 of the present article ensuing an increase in the number of voters in the municipal formation by over ten per cent;

   a transformation of the municipal formation in the procedure envisaged by Part 3 of the present article.

In the cases specified in Paragraphs 2 and 3 of the present part the formation of local self-government bodies shall be effected in the procedure established by Article 85 of the present Federal Law.

2. The local self-government bodies and the local self-government officials which had been elected before the entry into force of the present chapter shall exercise the powers to resolve issues of local significance from January 1, 2006 in accordance with the present Federal Law with the account taken of the status of the municipal formation concerned that has been established by a law of the Russian region.

The requirements set out in Article 35 of the present Federal Law to the number of deputies of the representative bodies of municipal formations shall be applicable to the said bodies for which an election date has been set after the entry into force of the present chapter.

The provisions of Articles 36 and 37 of the present Federal Law on the procedure for election (appointment) of and the powers of heads of municipal formations (head of local administrations) shall be applicable upon the expiry of the effective terms of powers of the heads of municipal formations (the heads of local administrations) elected (appointed) before the entry into force of the present chapter.

3. Changing the boundaries and transforming the municipal formations
in existence as of the date of entry into force of the present chapter within the period from the date of entry into force of the present chapter to January 1, 2006 shall be permitted exclusively in the procedure and on the grounds established by the present article and Article 85 of the present Federal Law. Changing the boundaries and transforming the municipal formations in existence as of the date of entry into force of the present chapter shall be done in the observance of the provisions of Articles 12 and 13 respectively of the present Federal Law. Here, the provisions of Items 6, 7 and 10 of Part 1 of Article 11 of the present Federal Law shall not be applicable to the urban and rural settlements deemed municipal formations as of the date of entry into force of the present chapter.

The acquisition under a law of a Russian region by urban, rural inhabited localities located within the boundary of a district deemed a municipal formation as of the date of entry into force of the present chapter of the status of urban, rural settlements in keeping with Item 1 of Part 1 of Article 85 of the present Federal Law shall not be deemed change of the boundary of or transformation of the said district.

The acquisition under a law of a Russian region by urban inhabited localities located within the boundary of a district deemed municipal formation as of the date of entry into force of the present article of the status of city okrugs shall be deemed transformation of the said district and it shall be done in the procedure envisaged by Part 7 of Article 13 of the present Federal Law.

The urban settlements deemed as of the date of entry into force of the present chapter municipal formations whose powers had not been delineated as of April 30, 2003 in accordance with Item 3 of Article 6 of Federal Law No. 154-FZ of August 28, 1995 on the General Principles of Organization of Local Self-Government in the Russian Federation shall be deemed city okrugs beginning from January 1, 2006, except as otherwise established by a law of a Russian region before February 1, 2005 in keeping with the provisions of Part 2 of Article 11 and Part 7 of Article 13 of the present Federal Law. A change in the status of the said urban settlements from January 1, 2006 shall be effected in the procedure envisaged by Part 7 of Article 13 of the present Federal Law.

4. In the territories of the municipal formations newly formed under Item 1 of Part 1 of Article 85 of the present Federal Law the powers of local self-government bodies and local self-government officials shall be exercised until January 1, 2006 by the local self-government bodies and local self-government officials, other bodies and officials which exercise the powers to resolve issues of local significance in these territories as of the date of entry into force of the present chapter.

5. The local self-government bodies and elected local self-government officials of newly formed municipal formations shall commence exercising their powers to resolve issues of local significance in accordance with the present Federal Law from January 1, 2006. During the period from the date of election until January 1, 2006 the said local self-government
bodies and local self-government officials shall be entitled to adopt charters of municipal formations, other municipal legal acts, to form other local self-government bodies. The charters of municipal formations, other municipal legal acts adopted by the said local self-government bodies and local self-government officials, except for legal acts on the organization of their work, shall enter into force not earlier than January 1, 2006.

Organizational and logistical support to the activities of the said local self-government bodies and elected local self-government officials during the period from the date of their election until January 1, 2006 shall be provided by local self-government bodies, other bodies and officials exercising the powers to resolve issues of local significance in the territories of the municipal formations concerned on the basis of Part 4 of the present article.

6. The formation, consideration and approval of local budgets for the Year 2006 for newly formed municipal formations shall be done by the local self-government bodies formed in keeping with the provisions of the present Federal Law.

The provision of the materials and information needed for drawing up a draft local budget to the said local self-government bodies by the territorial bodies of the federal executive governmental body in charge of taxes and fees, the federal treasury bodies, the bodies of treasury and the financial body of a Russian region, the local self-government bodies and the local self-government officials exercising their powers in keeping with Part 4 of the present article shall be done on a compulsory and free-of-charge basis. The non-provision of the said materials and information shall be deemed ground for holding persons accountable under laws of Russian regions.

A draft budget for the Year of 2006 of a newly formed municipal formation may be prepared and introduced by the highest executive governmental body of the Russian region concerned on the basis of a decision of the representative body of the municipal formation.

Article 85. Ensuring the Implementation of the Provisions of the Present Federal Law

1. For the purpose of organizing local self-government in the Russian Federation in keeping with the provisions of the present Federal Law the governmental bodies of Russian regions:

1) until January 1, 2005 shall establish the boundaries of municipal formations and confer the status of urban settlement, rural settlement, city okrug, municipal district on municipal formations concerned in accordance with the provisions of the present Federal Law;

2) until March 31, 2005 shall establish the number of members of the
first-session representative bodies of newly formed municipal formations and the effective term of powers thereof which shall not be shorter than two years, establish a procedure for forming the first session representative bodies of newly formed municipal districts, set the date of elections to the representative bodies of newly formed municipal formation, and also arrange for the holding of the said elections within the period ending November 1, 2005 within the boundaries of municipal formations established in accordance with the provisions of the present Federal Law;

until March 31, 2005 shall establish the effective terms of powers which shall not be shorter than two years and set the date of elections of heads of the newly formed municipal formations where no decision to hold a referendum (rally of citizens) on the issue of structure of local self-government bodies has been adopted in the procedure envisaged by Part 5 of Article 34 of the present Federal Law, and shall also arrange for the holding of the said elections within the period ending November 1, 2005 within the boundaries of municipal formations established in accordance with the provisions of the present Federal Law;

until April 30, 2005 shall set the date of elections of the elected bodies and the elected officials of municipal formations envisaged by the structure of local self-government bodies established according to the results of a referendum (rally of citizens) in the procedure established by Part 5 of Article 34 of the present Federal Law;

3) until January 1, 2006 shall ensure the gratuitous transfer into municipal ownership of the property owned by a Russian region as of the date of entry into force of the present chapter which is intended for resolving issues of local significance in accordance with the present Federal Law;

4) until November 1, 2005 shall bring the following in line with the provisions of Chapter 4 of the present Federal Law: the laws of Russian regions whereby specific state powers have been conferred on local self-government bodies;

until January 1, 2006 shall bring the following in line with the provisions of the present Federal Law: the constitutions (charters), laws and other regulatory legal acts of Russian regions;

5) until June 1, 2006 shall ensure the holding of congresses of municipal formations of Russian regions for the purpose of forming councils of municipal formations Russian regions in keeping with the provisions of the present Federal Law;

6) make a provision in the bills of Russian regions on the budgets of Russian regions for the Year 2005 for funds intended for financing the holding of election of elected bodies and elected officials of newly formed municipal districts and also of the urban, rural settlements set up in the said districts in accordance with the provisions of the present Federal Law.
2. Until the time when regulatory legal acts of Russian regions are brought in line with the provisions of the present Federal Law the said acts shall be effective in as much as they are consistent with the present Federal Law.

3. When the boundaries of municipal formations are being approved pursuant to the provisions of Item 1 of Part 1 of the present article the boundaries of municipal formations may be approved as a cartographic description. In this case the boundaries of municipal formations shall have been described and approved in keeping with the provisions of the city development and land legislation not later than January 1, 2007.

If the boundaries of municipal formations have not been approved by governmental bodies of Russian regions before January 1, 2005 in the procedure envisaged by Item 1 of Part 1 of the present article the boundaries of the municipal formations shall have been approved before March 31, 2005 by a federal executive governmental body authorised by the Government of the Russian Federation.

4. If no elections of local self-government bodies have been ordered by governmental bodies by Russian regions in the procedure and within the term set by the present article the said elections shall be ordered and conducted in accordance with Federal Law No. 138-FZ of November 26, 1996 on Ensuring the Constitutional Rights of Citizens of the Russian Federation to Elect and Be Elected to Local Self-Government Bodies and Federal Law No. 67-FZ of June 12, 2002 on the Basic Guarantees of Voting Rights and the Right to Participate in a Referendum of Citizens of the Russian Federation.

5. When one is defining the structure of local self-government bodies of newly formed municipal formations one shall apply the procedure established by Part 5 of Article 34 of the present Federal Law.

6. The powers of the heads of municipal formations elected in accordance with Paragraph 2 of Item 2 of Part 1 of the present article shall be defined by the charters of the municipal formation sin keeping with Part 2 of Article 36 of the present Federal Law.

7. The Government of the Russian Federation:

1) in accordance with Part 4 of Article 11 of the present Federal Law until June 1, 2004 shall approve a list of the Russian regions, specific districts of Russian regions (within the existing boundaries thereof) classified as low population density areas under Part 3 of Article 11 of the present Federal Law as well as a list of the Russian regions, specific districts of Russian regions (within the existing boundaries thereof) classified as high population density areas;

2) in accordance with Part 11 of the present Article until January 1, 2005 shall approve a procedure for re-distribution of property among the Russian Federation, Russian regions, municipal formations as well as
a procedure for delineating the property under municipal ownership among municipal districts, settlements, city okrugs in keeping with the delineation of issues of local significance established by the present Federal Law and the provisions of Article 50 of the present Federal Law;

3) until December 1, 2005 shall ensure the gratuitous transfer into municipal ownership of the property under federal ownership as of the date of entry into force of the present chapter which is intended for resolving issues of local significance in accordance with the provisions of the present Federal Law;

4) until January 1, 2005 shall lay the following before the State Duma of the Federal Assembly of the Russian Federation:

- federal bills on amending the federal laws whereby specific state powers of the Russian Federation have been conferred on local self-government bodies, in order to bring these federal laws in line with the provisions of Chapter 4 of the present Federal Law;

- federal bills on amending the federal laws regulating the powers of local self-government bodies to resolve the issues of local significance established by the present Federal Law, in order to bring these federal laws in line with the provisions of Articles 17 and 18 of the present Federal Law;


5) until January 1, 2005 shall approve a procedure and term for drawing up a transfer (division) document in accordance with the provisions of Part 10 of the present article;

6) make a provision in the federal bill on the federal budget for the Year 2006 for subventions intended for enabling local self-government bodies to exercise the specific state powers established by federal laws.

8. The local self-government bodies:

1) shall make a provision in draft budgets for the Year 2005 of the districts deemed municipal formations as of the date of entry into force of the present chapter for funds earmarked for holding elections of the deputies, members of elected local self-government bodies, elected officials of the newly formed urban, rural settlements located within the boundaries of territories of the districts concerned;

2) until July 1, 2005 shall bring the following in line with the provisions of the present Federal Law: the charters of municipal formations and the other regulatory legal acts of local self-government bodies;
3) until January 1, 2006 shall ensure the gratuitous transfer into federal ownership, into the ownership of Russian regions of the property which is under municipal ownership as of the date of entry into force of the present chapter and which is intended for the purpose of exercising the powers of federal governmental bodies and governmental bodies of Russian regions in accordance with the delineation of powers established, effective from January 1, 2006, by the present Federal Law, other federal laws;

4) until January 1, 2009 shall carry out, in the procedure envisaged by the legislation on privatisation, the alienation or the change of intended purpose of the municipal property which is under municipal ownership as of the date of entry into force of the present Federal Law, and which does not comply with the provisions of Article 50 of the present Federal Law, and which has not been transferred into federal ownership in accordance with Item 3 of the present part.

9. Until the time when the regulatory legal acts of local Self-government bodies have been brought in line with the provisions of the present Federal Law the said acts shall be effected in as much as they are consistent with the present Federal Law.

10. In the territories of newly formed municipal formations local self-government bodies shall be deemed successors of the local self-government bodies which have been exercising powers in these territories under Part 4 of Article 84 of the present Federal Law on the issues of local significance established for the municipal formations concerned by Articles 14 - 16 of the present Federal Law.

The obligations of local self-government bodies occurring by virtue of law of succession shall be defined by a transfer (division) document. The grounds for delineating the obligations occurring by virtue of law of succession and also the procedure and term for the drawing up of a transfer (division) document shall be established by the Government of the Russian Federation.

11. The re-distribution of property in compliance with Item 3 of Part 1, Item 3 of Part 7, Item 3 of Part 8 of the present article among the Russian Federation, Russian regions, municipal formations shall be performed in accordance with the delineation of powers among federal governmental bodies, governmental bodies of Russian regions, local self-government bodies established, effective from January 1, 2006, by the present Federal Law, other federal laws in the procedure defined by the Government of the Russian Federation.

12. Until the time when the other federal laws have been brought in line with the provisions of the present Federal Law the said federal laws shall be effective in as much as they are consistent with the present Federal Law.

Article 86. Declaring Invalid Specific Regulatory Legal Acts
1. The following shall be deemed no longer valid as of the date of entry into force of the present Federal Law:

1) Decree of the Presidium of the Supreme Soviet of the RSFSR No. 1247-XI of August 27, 1985 on Endorsing the Regulations on General Meetings, Rallies of Citizens at the Places of Their Residence in the RSFSR (Vedomosti Verkhovnogo Soveta RSFSR, item 1269, No. 36, 1985);

2) Decree of the Presidium of the Supreme Soviet of the RSFSR No. No. 1306-XI of September 3, 1985 on Endorsing the Regulations on Public Rural, Street, Block Committees in the Inhabited Localities of the RSFSR (Vedomosti Verkhovnogo Soveta RSFSR, item 1308, No. 37, 1985 );


4) Article 16 of Law of the Russian Federation No. 3119-I of June 24, 1992 on Amending the Civil Code of the RSFSR, the Civil Procedural Code of the RSFSR, the Internal Rules of the Supreme Soviet of the RSFSR, the Laws of the RSFSR on the Jewish Autonomous Region, on the Election of People's Deputies of the RSFSR, on the Additional Powers of Local Soviets of People's Deputies during Transition to Market Relationships, on Peasant (Individual) Farms, on Land Reform, on Banks and Banking Activity in the RSFSR, on the Central Bank of the RSFSR (Bank of Russia), on Ownership in the RSFSR, on Enterprises and Entrepreneurial Activity, on the State Tax Service of the RSFSR, on Competition and Restrictions on Monopolistic Activities in Commodity Markets, on Top Priority Supply of Material and Technical Resources to the Agroindustrial Complex, on Local Self-Government in the RSFSR, on the Privatisation of State and Municipal Enterprises in the RSFSR, on the Fundamentals of Budget System and Budget Process in the RSFSR, on the State Duty; Laws of the Russian Federation on the Kray, Oblast Soviet of People's Deputies and the Kray, Oblast Administration, on Commodity Exchanges and Exchange Trade (Vedomosti S'ezda narodnykh deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, item 1966, No. 34, 1992);

5) Law of the Russian Federation No. 3703-I of October 22, 1992 on Amending the Law of the RSFSR on Local Self-Government in the RSFSR (Vedomosti S'ezda narodnykh deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, item 2618, No. 46, 1992);

6) Article 6 of Law of the Russian Federation No. 4888-I of April 28, 1993 on Amending Some Legislative Acts in Connection with the Enactment of the Law of the RSFSR on Payment for Land and the Tax Legislation of Russia (Vedomosti S'ezda narodnykh deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, item 748, No. 21, 1993);

7) Federal Law No. 154-FZ of August 28, 1995 on the General
Principles of Organization of Local Self-Government in the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 3506, No. 36, 1995);


10) Federal Law No. 55-FZ of March 17, 1997 on Amending the Federal Law on the General Principles of Organization of Local SelfGovernment in the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 1378, No. 12, 1997);

11) Federal Law No. 126-FZ of September 25, 1997 on the Financial Foundation of Local Self-Government in the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 4464, No. 39, 1997);


13) Item 1 of Article 1 of Federal Law No. 76-FZ of June 18, 2001 on Amending Some Legislative Acts of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 2580, No. 26, 2001);

14) Items 3 and 15 of Article 2 of Federal Law No. 31-FZ of March 21, 2002 on Bringing Legislative Acts in Line with the Federal Law on the State Registration of Juridical Persons (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 1093, No. 12, 2002).

2. The legislative acts and the structural units thereof specified in Part 1 of the present article, within the period from the date of official publication of the present Federal Law and to its entry into force, shall be applicable in as much as they are consistent with the provisions of the present chapter.

President of the Russian Federation

V. Putin

Moscow, the Kremlin