



L A W¹

No. 9482, dated 3.04. 2006

ON

**LEGALIZATION, URBAN PLANNING AND INTEGRATION OF
UNAUTHORIZED BUILDINGS²**

In reliance on articles 78 and 83 point 1 of the Constitution, on proposal of Council of Ministers,

**T H E A S S E M B L Y
OF THE REPUBLIC OF ALBANIA**

DECIDED:

CHAPTER I

GENERAL PROVISIONS

Article 1

Object of the law

The object of the law is:

1. Legalization of objects built illegally in the “informal locations”, “informal zones”, “other territories” as well as “unauthorized extensions on the legal buildings”.
2. Transfer of the property of parcel of construction where the unauthorized building has been built, according to the definitions provided for by articles 19, 20, 21 and 22 of this law.
3. Urbanization of informal zones, blocks and buildings, as well as their integration in the territorial and infrastructural development of the county by improving their living conditions.
4. Procedures for carrying out the legalization of the informal zones/buildings and establishment and functioning of structures responsible of their completion.

Article 2

Application

1. This law is applicable to all objects built without authorization before the date of entry into force of this law, regardless of whether their function is housing, economic activity, or other

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² This is the text approved by the Assembly on 3.04.2006, following the President's decree returning Law nr. 94820, dated 16.2.2006, " on legalization, urban planning and integration of unauthorized buildings".

social or cultural purposes, if these have been built by and are possessed by individuals or by legal persons who are registered and act in compliance with Albanian commercial law.

The Council of Ministers defines the criteria, procedures, and the applicable documentation needed to categorize the objects into buildings that are or are not to be legalized.

2. Subsidiary buildings (surrounding walls) and subsidiary objects (garages, etc.) that were built as serving parts of illegal buildings and that have been completed within the timeframe defined in point 2 of this article, are to be legalized only if they have been built within the area of the construction parcels which are to be legalized as specified in articles 19, 20, 21 and 22 of this law.
3. For the illegal buildings built within the zones that have tourism as a development priority, which are defined in Law no. 7665, dated 21.01.1993, "On the development of the zones that have tourism as a priority", within 3 months from entry into force of this law, the Council of Ministers is to define the formal settlement, informal zones and other territories within zones where the development of tourism is a priority, where legalization will be performed according to this law. The timeframes for self-declaration begins after the decision has been issued for these zones.
4. This law is not applicable for illegal buildings built on private building sites within the yellow line in cases where the urban regulatory plans provide for 5-storey buildings from the ground level.
5. All other illegal buildings that do not meet the conditions set forth in paragraphs 1, 2, 3 and 4 of this article as well as those for which no request for legalization has been presented within the timeframe defined in section 1 of article 7 of this law, shall be demolished in compliance with Law no. 8408, dated 25.09.1998, "On the Construction Police".

Article 3 **Definitions**

In this law the following terms will have this meaning:

- a. "*Illegal construction*" - is the object where the structure and roof have been finished, which is intended for living, exercising an economic activity and/or other functions (such as social-cultural, education, health care and other similar activities), located within the territory defined as "formal center of habitation", "informal zone" or "other territories", which has not been built in compliance with the procedures provided by Law no. 8405, dated 17.09.1998, "On urban planning".
Illegal constructions shall be considered also those parts built as informal extensions to the legal objects within the territory of formal habitation centers, by the private natural and legal persons intended for sale/lease (houses, offices, stores, workshops, parking area etc.) or for personal use;
- b. "*Informal Zone*" - is a territory of over 5 hectares occupied by illegal buildings, which does not enjoy special protection from the legal and sub-statutory acts in force.
- c. "*Informal habitation block*" – is considered that territory of informal buildings with an area of 1 up to 5 ha inside or outside of a formal habitation center.
- ç. "*Isolated informal building*" – is that object (or group of objects) built illegally in a territory/parcel up to 1 ha.
- d. "*The boundary of the informal zone/habitation block/building*" – is the geographic line of the informal buildings territory approved by the CTARA in compliance with the provisions in power on the informal zones and the respective local government unit, through the elected organ and/or the CTA, per informal habitation block/building.
- dh. "*Formal habitation center*" – is the territory incorporated within the restrictive lines (the yellow lines) officially approved for inhabited urban (town) or rural (village) areas.

- e. *"Informal habitation center"* – is the territory with a surface of over 5 ha incorporated within the restrictive lines (the yellow lines) officially approved for the inhabited urban (city) or rural (village) areas.
- ë. *"Other territories"* – are the agricultural land (arable soil, fruit/vegetable plantations, fields of olives, vineyards) and non-agricultural land (forests, pastures and unproductive land).
- f. *"Construction parcel"* – is the area occupied by the owner of the unauthorized building.
- g. *"Owner of the illegal building"* – is the natural or legal person who has carried out himself or has been investor of the unauthorized building and who proves that he/she freely possesses or uses it and the construction parcel, regardless of whether s/he has ownership over them registered with the Immovable Property Registration Office (IPRO).
- gj. *"Legalization Permit"* – is the document issued according to the procedure defined in this law by the respective of ALUIZNI, which serves for the registration of the object in the immovable property registration office.
- h. *"Local Government Unit"* – is the commune and the municipality. In this law, the borough (for Tirana) and the region shall not be referred to in this law as 'local government units' but respectively as "municipal unit" and "region".
- i. *"ALUIZNI"*³ – is the special state agency established in compliance with this law, which stands for the Agency for the Legalization, Urbanization, and Integration of the Informal Zones/Buildings" and coordinates the work with the central state bodies and the local government unit.

CHAPTER II

CENTRAL AND LOCAL BODIES ON LEGALIZATION, URBAN PLANNING AND INTEGRATION OF INFORMAL ZONES/BUILDINGS AND EXTENSIONS

Article 4

Agency for the Legalization, Urbanization, and Integration of the Informal Zones/Buildings (ALUIZNI)

1. The Agency for the Legalization, Urbanization, and Integration of the Informal Zones/buildings coordinates work with the central state bodies and the local government units on:
 - a. drafting and approving urban planning studies;
 - b. drafting minimal standards and norms for the informal zones/buildings in collaboration with the Institute for Urban Planning Studies and Designs (IUSD);
 - c. unification of the procedures for the legalization, urbanization, and integration of illegal buildings in formal centers of habitation, informal zones and other territories;
 - ç. programming the funds from the State Budget for the legalization and urbanization of the informal zones and for the necessary or occasional adjustments in the formal centers of habitation;
 - d. collect and/or present the documentation for the legalization, according to this law, in the urban planning office, regions council, TAC or/and NTAC, when the local government unit does not exercise the responsibilities due to lack of capacities, negligence or any other obstacle, to the realization of the process for any reason. Terms, manner and time for exercise of this responsibility from ALUIZNI are defined with a decision of the Council of Ministers;
 - dh) issues legalization permits in accordance with article 27 of this law.
2. For the implementation of the obligations provided by this law, ALUIZNI carries out the following tasks:
 - a. establishes a database on the illegal constructions and the progress of the legalization process;

³ This acronym is left in Albanian to avoid confusion, being that even if translated it would be very similar (translator's note).

- b. organizes a national information and awareness campaign for the citizens in collaboration with the public mass media at the national level;
- c. prepares the manual of procedures, instructions, forms and trainings for the local government units throughout every step of the process;
- d. supervises the legalization process and the implementation of the procedures by the local government units and the regional councils.

3. The organization and functioning of this Agency, as well as the procedures of data collection, processing and management, as provided by letter "a" of section 2 of this article, shall be defined by a Council of Ministers' decision. ALUIZNI offices are established centrally, in a region level and within the specific units of the local government, which are defined with the decision of the Council of Ministers.

4. The ministries of the line, ALUIZNI and local government organs organize the informative campaign of the public opinion on the benefits and obligations of the legalization process.

Article 5

Duties of the local government unit

According to this law, the local government units have the following duties:

- a. Establishment of the necessary structures for receiving, dealing with and checking the declarations of the illegal buildings, as well as for checking on the implementation of the duties defined by this law for the accomplishment of the legalization process.

In Tirana Municipality, self-declaration is done near the 11 boroughs of the local government, established and organized according to Law no. 8654, dated 31.7.2000 "On the organization and functioning of Tirana municipality";

- b. Identification in the field of those illegal buildings on which no self-declaration has been made, identification all the eventual cases of illegal buildings which have been built following the approval of this law and beginning of the procedures for demolishing them in compliance with law No. 8408, dated 25.9.1998, "On the Construction Police";
- c. Cashing the money from the payments by the subjects that legalize the construction in accordance with this law, except for the building site of the construction parcel;
- ç. Management of the collected revenues and monitoring of their daily use in accordance with this law;
- d. Coordination of the work as needed with the Regional Council, ALUIZNI, the responsible ministries and CTARA, for the development and progress of the process of legalization, urbanization and integration of the informal zones.

Article 6

Duties of the urban planning unit at the local government unit

According to this law, the urban planning unit at the local government unit, has the following duties:

- a. Verification of the actual situation of the constructions in the field and, according to the documentation defined in section 3 of article 2 of this law, draws up or commissions the cartography and builds the necessary information systems;
- b. Technical update of the location plan in the field of the unauthorized buildings and the territories occupied by the latter, within the boundaries and the area of the formal center of habitation, as well as of the informal zone (approved by the CTARA) or other territories ;
- c. Drafting of the designing tasks for the urban planning studies and draw-up or commissioning of the urban planning studies in compliance with this law;

- ç. Collects the documentation during the self-declaration process and delivers it to the respective office of ALUIZNI to examine for the purpose of issuing the legalization permit. To exercise the responsibilities defined by this law, these structures may employ additional personnel.

CHAPTER III PROCEDURES AND TIMELINES

Article 7 Self declaration

1. All those subjects who have unauthorized buildings are obliged to declare them within 60 days after this law has entered into force (the illegal object and the construction parcel) at the urban planning office of the respective unit.
 - 1.1. The urban planning office at the local government unit, in compliance with the tasks assigned to it by this law, is obliged to accept the declarations for a period of 4 months from the starting date provided in section 1 of this article. For organs of local government organized in administrative units or regions, the self-declaration is performed within these units or offices of the region.

The illegal building and the area of the construction parcel are to be declared in compliance with the form attached to this law, which is its Annex A.
2. The self-declaration period is a voluntary process for all subjects during the first 2 months, while during the following 2-month period, the declaration process will be accompanied with sanctions as provided for by article 8 of this law. The sanctions applied according to article 8 of this law will be transferred to the account of the local government where the self-declaration was made.
3. The ministry concerned, ALUIZNI and local government bodies are to organize a public opinion information campaign on the benefits and the obligations of the legalization process.

Article 8 Applicable sanctions for not respecting deadlines

When self-declaration is not done within the legal terms defined in points 1 and 2 of article 7 of this law, the following fine is issued:

- I. For the “informal centers of habitation” and “other territories”:
 - a. within the third month, the self-declaration shall be accompanied with a fine of 10 lekë/m²;
 - b. within the fourth month, the self-declaration shall be accompanied with a fine of 20 lekë/m²;
 - c. by the end of the self-declaration deadline, the right of the subject for legalization shall expire.
- II. For the “formal centers of habitation” the same fees and timelines shall be applied, but they shall refer to:
 - a. the surface of the parcel, for the construction of "villas";
 - b. the surfaces (m² of construction) where extensions have been built for family use not for selling purposes;
 - c. the surface where the contraction is done, (m² of construction) multiplied by the coefficient 3, for commercial extensions built by natural or legal persons for selling/leasing purposes.

Article 9

The responsible office for self-declarations

1. Self-declaration by those subjects which have built illegal buildings shall be made at the urban planning offices at the local unit in which territory the illegal building has been built. For Tirana Municipality, the self-declaration shall be made at the boroughs in which territory the building side is located, as provided for by article 3 of Law No. 8654, dated 31.07.2000 "On Organization and Functioning of Tirana Municipality."

In those cases where:

- a. the illegal construction is under ambiguous administrative circumstances, then it shall be self-declared at the closest local government unit applying as an orientation criterion the local unit which has registered the natural person or the inhabitants of the area in the voters' list for the elections to 17th legislature of the Assembly.
- b. the illegal construction extends at the boundaries of more than one local unit, the construction will be declared at that local unit where the biggest area of the construction parcel is located.

Article 10

The procedure for initiating the legalization process of illegal buildings

The procedures to be followed for the beginning of the legalization process are whereby:

- a. The subjects who have built illegal buildings shall make the self-declaration at the urban planning office in accordance with article 7 of this law.
- b. At the same period of time when the self-declaration takes place, the bodies defined in article 7 of this law shall identify the illegal buildings in the field in order to include them in the legalization process. The urban planning unit at the local government shall prepare within the timelines set by this law the report on the actual situation together with the technical and legal argument for the zone.
- c. For the informal zones and informal centers of inhabitation as defined in this law, the report on the factual situation together with the technical and legal argumentation shall be submitted at the Regional Council with 30 days from the expiration of the deadline for self-declaration. The examination and approval of the informal zones at the Regional Council shall take place within 30 days from the submission of the respective documentation. The zones are proposed to the CTARA for approval at its closest meeting.
- ç. For the informal centers of habitation and the informal inhabitation blocks, inside or adjacent to the restricting lines (the yellow lines) officially approved for the urban (city) or rural (village) inhabited centers, the report on the current situation together with the technical and legal argumentation shall be submitted at the urban planning office of the respective local government unit within 30 days from the expiration of the deadline provided for in article 7. The examination and the approval of the documentation shall take place at the municipal/communal council and the CTA of the respective municipality/commune within 30 days.
- d. For the informal parcels/objects up to 1ha, the illegal blocks of habitation and illegal objects, isolated or in other territories, and "the illegal extensions in legal buildings", decision shall be made by the respective urban planning office and CTA of the local government unit. The report on the factual situation, technical argumentation, review and approval shall be made at

the urban planning office and the council of local government within 6 months from the expiration of the deadline established by article 7 of this law.

For illegal objects in "other territories", the respective urban planning office requires the approval of the regional council and regional agricultural and food directorates, and regional environmental agencies. The regional council and regional agricultural and food directorates and the regional environmental agencies reply to the urban planning office within 30 days from submission of the request and documentation.

The urban planning office shall immediately hand over the respective documentation to the regional council and the regional agricultural and environmental directorates not later than 30 days from the submission of the documents.

In case the urban planning offices or regional councils do not exercise within the timelines the responsibilities defined in this article, ALUIZNI shall take over exercise of such responsibilities in compliance with section 4 of article 4 of this law.

Article 11

Examination at the CTARA

1. In those cases where, according to article 10 of this law, the construction's legalization process is approved by the CTARA, the local government unit or the Regional Council shall submit to ALUIZNI the technical-legal documentation for the illegal buildings in their territory within 30 days from the completion of procedures at the local government unit or the Regional Council.

1.1. ALUIZNI shall present to the Council of Territory Adjustment of the Republic of Albania (CTARA) within 15 days the examined documentation along with its peer review. The documentation shall afterwards be reviewed and approved in its next meeting.

The technical-legal documentation referred to in section 1 of this article shall be defined by an instruction of the Minister covering the territorial planning activity.

2. CTARA determines upon decision the name and the boundaries of the informal zone/habitation centre of over 5 ha.
3. CTAs and the elected local government bodies determine upon decision the name and boundaries of the informal inhabitation block over 1 ha up to 5 ha.

Article 12

Coordination of work between local government units and ALUIZNI

1. The local government units shall submit to ALUIZNI on regular monthly basis full data on the number of the objects that have been self-declared, examined, the requests for legalization together with the accompanying documentation, the variety and typology of informal buildings and/or zones, the volume of investments, the payments of the tax on the new buildings for the impact on infrastructure, the sanctions in the meaning of this process, as well as reports on the difficulties encountered and emerging problems to be addressed, etc.

2. The modalities of completing this data, as well as their storage shall be defined by the instructions of the minister who covers territory issues.

Article 13

Suspension of procedures in polluted areas

1. The Council of Ministers has the right to suspend the implementation of the legalization procedures for illegal buildings in territories with a high level of environmental pollution, as well as to implement or plan strategies for the elimination of the environment pollution in the area within the specific timelines. The Regional Councils shall present concrete proposals for suspending the legalization procedures due to high pollution level within 30 days from the expiration of the deadline established by article 7 of this law.

Within 30 days from the submission of the entire documentation, the Council of Ministers examines the proposal presented and reaches a decision on the such an issue.

2. Local government units should identify and register, within two months from entry into force of this law, all inhabitants located in problematic areas known for their level of pollution and should notify in written the ALUIZNI.
3. The chairperson of the local government unit in collaboration with the construction police shall undertake special measures to avoid the construction of new buildings in these areas.

Article 14

Legal effects of the CTARA decision-making

1. The decision of the CTA and the CTARA, pursuant articles 10 and 11 of this law, result in:
 - a. the change of the land category to building site
 - b. the change of the utilization purpose to inhabitation/economic zone
2. The CTA and CTARA decision are notified to the section for land protection and administration at the Regional Council, which keeps record of the changes in the fund of agricultural land.

CHAPTER IV

Property transfer of the construction parcel

Article 15

Registration of property in IPRO

1. Properties which are legalized according to this law will be registered in the register of immovable property in compliance with Law no. 7843, dated 13 July 1994 "On the registration of immovable property". The property registration shall be carried out on basis of the data contained in the legalization permit, issued in compliance with article 28 of this law.
2. In case the legalized construction parcel is already registered in the immovable property registers in the name of private subject, upon registration of the legalization permit the private subject becomes entitled to remuneration in kind or cash.
3. For all the cases referred to in section 2 of this article, the Immovable Property Registration Office submits to the Council of Ministers every three months a list of natural of juridical subjects entitled to remuneration according to this law, including the data on every owner and respecting surfaces. The first timeline of submitting such list to the Council of Ministers is 1 December 2006.
4. Within 30 days from the date of submission of the list by the Central Office of Immovable Property Registration makes a decision on the remuneration of owners and respective surfaces. The commissions of property restitution in districts shall compensate the subjects within 3 months in compliance with the decision of the Council of Ministers.
5. For the effect of calculating the surface subject to compensation, the commission of property restitution and compensation treats the property as a building site in compliance with the methodology on valuation of the immovable property to be compensated and the property to be used for compensation, according to Law 9235, dated 29.7.2004 "On Property Restitution and Compensation," amended.

Article 16

Specific regulation for those who possess the parcel according to a legal but unregistered act

1. If the subject who has the illegal building possesses the contract of transfer of property for the construction parcel, stipulated or certified before a public notary with the legal owner, himself or the person who has transferred the property right, regardless of the number of effected transactions, he submits it to the urban planning office.

2. For all this category of persons who possess such contracts, the transfer of property for the construction parcel shall be registered based on the contract by paying only the effective tariff for the registration at the Immovable Property Registration Office without the overdue fee and applicable taxes.

In the meaning of this article, the term "contract" shall refer to every juridical action for the transfer of immovable property, recognized by the provisions of the Civil Code in the form of a special contract, including the accords stipulated or certified before a public notary with subject the possession of immovable property.

3. The owner who has completed the transfer of the construction parcel in compliance with section 2 of this article shall be exempted from the right to get compensated for the property according to this law or the Law "On Restitution and Compensation of Property".

Article 17

Property Transfer for Construction Parcel

1. Property transfer for the construction parcel or building site from the state to the declarer shall take place in accordance with the provisions of the Civil Code. For effect of the legalization, the construction parcel shall not, as a rule, exceed 500 m². The building site surfaces of over 500 m², which cannot be used separately for construction, due to the size or configuration, shall be conjunct to the construction parcel and shall be sold to the building site owner at the market price.
2. The price of construction parcel site for the unauthorized buildings with purpose of shelter, shall be established according to articles 19, 20, 21, and 22 of this law. When the unauthorized object has a social-economic destination or is used for such destination, the price of the building site per square meter shall be paid according to the market value at the moment of property transfer.

When the unauthorized object has a destination combined between that of shelter and social-economic destination, the selling price of the building site shall be that of the price established per square meter for the building sites intended for housing multiplied with the coefficient of use of the object for social-economic destination. The coefficient shall be established by the Council of Ministers, according to the report on the use of the building in total.

3. The local government bodies shall determine the destination of the object, based on the self-declaration or verification in the field, including the data managed by them, according to the law on local government bodies. The object shall be registered with the registration office according to its destination.

Article 18

1. The payment of the price of the construction parcel site shall be made immediately at the moment contract when the contract is signed.

Exception shall be made from the above rule only for the payment of the prices of buildings with housing destination. In such cases, if subject lacks capabilities of paying, it shall have the

right to pay off the selling price, upon his/her request, in two installments to be paid within one year from the date of contract. The subject who is under the state of lacking financial means should declare the fact at the moment when the self-declaration of the illegal construction is made. Such self-declaration shall be presumed valid.

Article 19

Selling price in the informal zones

For construction parcels located outside the yellow lines, the price is as follows:

- a. For areas up to 100 m², 100 thousand lekë;
 - b. up to 200 m², 150 thousand lekë;
 - c. up to 300 m², 200 thousand lekë;
 - ç. up to 400 m², 300 thousand lekë;
 - d. up to 500 m², 400 thousand lekë;
 - dh. over 500 m² according to the market value at the moment of property transfer.
- When the unauthorized object are intended for social-economic activities, the payment of the building site shall be made according to the market value at the moment of property transfer.

Article 20

Selling price within the yellow lines

For construction parcels of informal centers of habitation/buildings within the yellow lines, the selling price is as follows:

- a. For areas up to 100 m², 200 thousand lekë;
 - b. up to 200 m², 300 thousand lekë;
 - c. up to 300 m², 400 thousand lekë;
 - ç. over 300 m² according to the market value at the moment of property transfer.
- When the unauthorized object are intended for social-economic activities, the payment of the building site shall be made according to the market value at the moment of property transfer.

Article 21

Selling price within yellow lines for extensions to the buildings

1. For the areas of the building sites occupied with illegal lateral extensions on legal buildings (not intended for selling/leasing, etc) within the yellow lines shall be applied the following selling price:

- a. For areas up to 50 m² 100 thousand lekë;
- b. up to 75 m² 200 thousand lekë;
- c. up to 100 m² 400 thousand lekë;
- ç. over 100 m² according to the market value at the moment of property transfer.

2. In those cases where the extensions are intended for social-economic activities the payment of the building site shall be made according to the market value at the moment of property transfer.

Article 22

Payment in “other territories”

For the construction parcels in “other territories” the same tariffs as provided for by article 19 of this law shall apply, but the State does not commit itself to invest in the infrastructure in these territories. Before deciding on the transfer of property in favor of the subject, the Council of the local unit requires special approval by:

- a. Regional Council and the Ministry of Agriculture and Food and Consumer Protection for the land of “bonitete”⁴ category (1 – 4);
- b. Regional Council for land of category (5-10).

Article 23

Tax on impact on infrastructure

Local tax on the impact on infrastructure is applicable at the minimum boundary set for the local units in compliance with section 2 of article 16 of Law no. 8982, dated 12.12.2002, “On local taxes,” amended.

Article 24

Implementation of legalization in pilot zones

For those informal zones included in the “Pilot Zones” of the Urban Land Management Project funded by the World Bank, the tax on the impact on infrastructure is equal to the difference of the tax provided for by this law, and the amount of the financial contribution the possessor of the illegal building has given for the adjustment of infrastructure in his zone up to the moment of legalization, in case this difference is positive.

Article 25

Cases of subject possessing more than one informal building

1. In the case where a subject declares more than one informal building, he has the right to chose for which subject will he benefit property transfer and legalization with the tariffs defined in this law. For the other objects shall be applied the market value price and tax according to the amount in force, regardless of the categorization of the objects in question and the size of the respective parcel of the building site.

2. The notary declaration on waiving the right on the construction parcel shall bring no consequence whatsoever for the subject afterwards, and the subject shall be treated in accordance with section 1 of article 24 of 1 of this law.

Article 26

Settlement of disputes on rights of the subject

1. If disputes emerge during the legalization concerning the property ratios on the object and/or on the inclusion of other people who claim rights on the construction parcel to be legalized according to this law, such disputes shall be dealt with in court.

2. The procedures for the legalization of the object shall be suspended during the review of the judicial conflict and shall restart according to the terms of this law after the final decision by the court, provided that the illegal building has been declared within the timeline provided for in article 7 of this law.

⁴ This refers to the level of the land’s fertility (translator’s note).

Article 27

The technical and legal documentation for the legalization of residential buildings

Subjects interested in legalizing illegal buildings must submit the following:

- a. A plan of the object at the scale of 1:500 issued by the local government unit.
- b. A plan of each floor of the object and the areas in square meters that will be legalized at a scale of 1:100.
- c. Family certificate.
- ç. A certificate of the payment of the tax on infrastructure impact in all the cases when the subject according to this law and the legislation in force is not exempted from paying that tax.
- d. A construction parcel property certificate from the respective IPRO (after the subject is provided with that in compliance with this law when he possesses it immediately after declaration).
- dh. A personal declaration stating that the subject is responsible for any consequence that may come from natural causes and/or the use of the residential building. According to this law, the state is not responsible for compensation or indemnification in cases of accidents because of the quality of works in the object.
- e. A declaration wherein the regulatory plan implementation, including the respect of public spaces, green areas, types of fence, colors, illumination, parking, etc., is accepted
- ë. A notarized agreement for the parts owned respectively according to section 2 of article 29 of this law, in case such an agreement is concluded.

In each case, the local government with the advice/co-operation of ALUIZNI defines the service fees for the above issues in accordance with the legislation in force.

Article 27

Issuance of the legalization permit

Upon completion of all the documentation as specified in article 27 of this law, the respective ALUIZNI office provides the subjects with a legalization permit within 30 days from the date the request was submitted. The same procedure, but with the specific changes as defined in this law, shall be applied for the “extensions to the legal buildings”. The criteria, procedures and form of the legalization permit are defined by a Decision of the Council of Ministers. The declaration form is attached to this law as Annex A of the law.

Article 29

Documentation for the registration of the object at the IPRO

The Legalization permit together with the documents defined in this law, confirmed by the respective ALUIZNI office, are submitted to the IPRO in order to register the object in the immovable property registers, in compliance with the effective legislation for this institution.

Article 30

Registration of property

1. In case the illegal building is possessed by a subject, the contract for the transfer of property of the construction parcel and the subject to be legalized are registered in the name of the subject who possesses the object. For the registration of the property legalized in compliance with

this article, the IPRO acts in compliance with the provisions of Law No.9062, dated 8.5.2003, "Family Code", Chapter II, "Marital property regime in the community".

2. When an illegal building is possessed by more than one natural or legal person, the registration of the respectively owned parts (parcel of land and object) is done as follows:

- into undivided, ideal parts in accordance with the number of the subjects.
- into equally divided respectively owned parts, according to the agreement between parties signed at their free will and deposited at the urban planning unit within the declaration timeframe defined in article 7 of this law. If they agree among themselves, the subjects other than the respectively owned parts may also assign the respective physical parts.

Article 31

Urbanization of the informal zones

1. Urbanization of the informal zones shall take place based on partial urban planning studies at the conclusion of the legalization process.

- a. The drafting of partial urban planning studies is carried out or commissioned by the local government units in accordance with the legal provisions in force. In any case the urban planning studies should respect the plans approved by the CTAs of the municipalities/communes for the public spaces and avenues, road investments, infrastructure and social-cultural objects.
- b. The Regional Council approves by a special decision the urban planning study for the territory of the informal zones/centers of habitation and the other territories of over 1 ha in the respective region. The municipality/commune operates for all the territories within the yellow lines.
- c. Following approval by the respective local government unit and submission to the CTARA, the urban planning studies over 5 ha are approved by the latter in its nearest meeting.
- ç "Minimum norms and standards" shall be drafted for the informal zones/buildings. ALUIZNI and the Institute on Urban Studies and Designs are in charge of drafting these norms and standards within 2 months from the approval of this law. "Minimum urban planning norms and standards" are approved by the CTARA.

2. The zone community can also provide contribution for the urbanization of informal zones, during the process of drafting and implementation of urban studies, in accordance with a co-funding and control contract signed for this purpose.

Article 32

Allocation of revenues collected from the legalization of illegal buildings

1. Revenues collected by the transfer of the construction parcel property transfer shall be divided as follows:

- a. 20% of the revenues shall go to the budget of the local government unit to account for the expenses which have already been carried out or to be carried out for updating the location plan of the informal zone/block, local investments in infrastructure and services and the drafting of the urban planning studies.
- b. 80% shall be transferred to the state budget to be transferred to fund on financial compensation provided for in Law No.9235, dated 29.07.2004, "On Restitution and compensation of Property" for the Committee on Restitution and Compensation of Property according to the law.

2. Revenues collected from the tax on infrastructure impact, service fees during the legalization procedure in the local unit as well as any other penalty accompanying the self-declaration and legalization process in compliance with this law, shall go to the local unit where the self-declaration has been made and the latter shall make use of them for the improvement of the infrastructure and urban planning of the territories to be legalized.

Article 33

Binding provision

Failure to declare by the deadline, false declaration of the construction and the occupied surface, as well as failure to present the complete technical and legal documentation shall result in exclusion from the process of legalization, urbanization and integration of the informal buildings and demolition of the illegal building in compliance with the Law no. 8408, dated 25.9.1998, "On the Construction Police".

Article 34

Recognition of the parcel of construction for compensation purposes

1. Those subjects who become owners of the construction parcels, in compliance with the provisions of this law and who are at the same time subject of Law no. 9235, dated 29.7.2004, "On Restitution and Compensation of Property", amended, shall benefit from restitution or compensation only at the amount such as to correspond to the difference between the value of the expropriated immovable property and the value of the construction parcel. In case that such difference is negative, they do not benefit from the Law no. 9235, dated 29.7.2004, "On Restitution and Compensation of Property". This provision is not applicable if the transfer of property of the construction parcel has been carried in compliance with section 1 of article 16 of this law.

2. The value referred to in section 1 of this article shall be determined according to the approved methodology for the State Committee on Restitution and Compensation of Property and the payment made in accordance with this law for the transfer of property of the construction parcel will be included in the value of the property.

3. The Council of Ministers defines the criteria and procedures for the coordination of work among the State Committee on Restitution and Compensation of Property, the local government bodies and the IPRO for the identification of these subjects.

Article 35

Treatment of special cases within the yellow line for the effect of the regulatory plan

For the illegal buildings referred to in section 4 of article 2 of this law:

1. The status of the construction parcel shall not change while the illegal object is used by the family who possesses it until the development of the parcel in compliance with the urban planning in force.
2. When the owner of the building site builds in compliance with the regulatory plan, the investing company is obliged, upon submission of the request for construction site permit, to present at the respective urban planning office the notary declaration wherein it is stated that, once the object is finished, the investor shall put at the disposal of the family who possesses the building without permission of the actual building site, for housing purposes. The housing surface for this family shall be determined in compliance with the effective norms for the category of the unsheltered families. During the development period in the building site, the investor shall be responsible to provide housing at own expenses for the family who possessed the illegal building. The notary declaration of the investor for the transfer of property of the housing area of the unsheltered family will be registered with the IPRO at the moment the agreement act for the development of the building site has been submitted for registration.
3. The Construction Police intervenes for demolishing the object only when the owner of the building site/constructor has been granted the permission for building the object.

CHAPTER V LEGALIZATION OF EXTENSIONS TO THE BUILDINGS

Article 36 Extension to the buildings

This law is also applicable for the legalization of the illegal extensions to the legal buildings and/or with altered functional destination from the approved one and the public building sites occupied by them for construction permits issued by the CTAs or the CTARA.

They include whereby:

- a. Legalization of buildings with a surface area exceeding that of the project approved by decision of the CTAs of local units or the CTARA.
- b. and/or legalization of buildings which bear changes in the function of spaces approved by decision of the CTAs local units or the CTARA.

Article 37 Initiation of the legalization procedure

Every subject who has built buildings as specified in article 35 of this law is obliged to self-declare them at the urban planning office at the respective CTA within the timeline defined in article 7 of this law, and submit the specific documentation for legalization. During the self-declaration process, besides the copy of the existing permit (when the object has been built after '93) the subject submits should provide also following documents:

- a. Notary declaration wherein the licensed designer of the construction, the constructor and the investor unanimously guarantee the structural safety of the object under legalization, accompanied by the peer review of the specialized institutions as defined in the order of the minister which covers territory planning activities.
- b. In those cases where the subject cannot provide the document referred to in letter "a" of this article, the subject shall then be obliged to present an act of expertise on the structural safety of the object issued by a licensed expert or agency.
- c. The agreement with the owner of the building site on the extension, in case it is built on private territory.

When there is no special agreement on the unauthorized extension between subject and the owner of the building site, the required documentation shall include as a component the agreement on the construction of the main investment. The rights and obligations of the parties for the main investments shall be equal with the rights and obligations of the parties on the unauthorized extension.

Article 38

Within two months from the entry into force of this law, the Institute of Cultural Monuments submits to ALUIZNI the inventory of the cultural zones or monuments, along with the respective boundaries within which the legalization process of unauthorized extensions or buildings is excluded, due to the special protection they enjoy by law. The Institute of Cultural Monuments shall prepare separate materials for each region and shall distribute them through ALUIZNI to the region's local government bodies, to the municipalities and Tirana Boroughs. The material prepared by the Institute of Cultural Monuments shall be made public for three times consecutively in special editions of the Bulletin of Public Announcements.

Article 39

Exemptions from legalization

From the legalization shall be exempted all the extensions to buildings, which infringe and affect the regulatory plan, the public interest in the main public infrastructure objects/axis (for instance, blocking the public access, roads, collectors, dams, airports, main infrastructure arteria, etc) or the integrity of the cultural monuments are excluded from legalization.

The first paragraph of this article shall be applicable for all unauthorized buildings.

Article 40

Suspension of the legalization procedures

In those cases where, as result of the judicial review of a dispute between the subject and the owner of the private/bordering building site, the court has decided on imposing a security measure, the legalization procedures for the extension to the object shall be suspended and be resumed in compliance with this law when the security measure losses effect, provided that the illegal extension has been declared within the timeline defined in section 1.1 of article 7 of this law.

Article 41

Criteria for the legalization of the extensions

During the declaration process the urban planning unit reviews the requests for legalization of the extensions and notifies the subjects who meet the criteria for the documentation to pay the infrastructure impact tax and the fine if they are subject to it in accordance with article 43 of this law, within 30 days after the deadline of declaration according to section 1.1 of article 7 of this law expires. The review and approval for legalizing the extensions to the buildings will be done according to the timelines defined in article 10 of this law.

Article 42

Applicable procedures and criteria

1. When the extensions have been completely or partially built on public territories, the subject submits the request for the legalization of the extension and public building site on which the extension has been built, according to this law. The same mechanisms as provided by this law shall be applied by the urban planning office for the transfer of property of the construction parcel where the extension has been built.

2. In the meaning of this law, the illegal buildings or extensions in the territories of schools and other public institutions shall not be legalized .

3. No other informal building, as defined in section 2 of this article, shall be legalized within these territories.

Article 43

Penalties for the legalization of extensions of the building subject

1. The subjects, either construction companies (and/or investors) who have built lateral extensions or extensions of higher floors in violation of the construction permit, for the purpose of property transfer or leasing, shall pay to the local government units for the legalization purposes, within the timeframe specified in article 41 of this law, the following fines:

- a. Per each (m² of living area) a fine of 4% of the minimum fiscal price, as established in the tables of the agreement between the Association of Albanian Constructors and General

- Directorate of Taxes;
- b. Per each (m² surface area for social-economic) a fine of 10% of the minimum fiscal price, as established in the tables of the agreement between the Association of the Albanian Constructors and General Directorate of Taxes;
 - c. Per each (m² surface area of changed destination of use) 20% of the minimum fiscal price, as established in the tables of the agreement between the Association of the Albanian Constructors and General Directorate of Taxes.
 - d. 2. The determining of the market value for the purpose only of section 1 of this article as established in the tables of the agreement no 2116, dated 25.5.2004 between the Association of the Albanian Constructors and General Directorate of Taxes and the Instruction of Taxes and Tariffs Directorate no 2116/3, dated 14.12.2004..

CHAPTER VI FINAL PROVISIONS

Article 44 Appealing

In the case where the local government unit refuses to accept the documentation or if this unit fails to issue a written decision within the timelines set by this law, the subjects may lodge an administrative complaint with the respective office of the local government unit or the head of the local government body. The same procedure of complaint shall apply also for decisions by the ALUIZNI respective office, in compliance with Law no. 8485, dated 12.5.1999, "Code of the Administrative Procedures of the Republic of Albania."

Article 45

Transitory provisions

1. Declarations made on basis of Law no. 9304, dated 23.10.2004 "On the legalization and urban planning of informal zones" shall be presumed valid. When the declared informal buildings have evolved in surface and volume because of the new informal activities within the timeline defined in this law the subject is obliged to re-declare them. Failure to declare new extensions shall result in the denial of right to legalization and demolition of the object in accordance with the law No. 8408, dated 25.9.1998, "On construction Police".

2. For "informal zones" approved by a decision of CTARA based on law No. 9304 dated 23.10.2004 "On the legalization and urban planning of informal zones", the responsible structures according to this law shall act as specified in this law.

3. Within 1 month from the approval of the informal zones/center of habitation, the Council of Ministers defines the way of administration of their territory and the priority in the treatment of these zones.

4. For the continuation of the process of self-declaration and definition of the "informal zones" there shall be applied the procedures defined in the guidance No. 1, dated 06.01.2005 "On the procedures of gathering and processing data on the construction of houses in "informal zones"" and the guidance of the Council of Ministers No. 3, dated 13.05.2005 "On the procedures of the approval of "informal zones"".

5. The issuance of permits for building sites or construction permits for the private subjects in informal zones, informal inhabitation blocks or other territories shall be prohibited until the approval of the general regulatory urban plan.

Article 46
Issuance of sub legal acts

1. The Council of Ministers is in charge of issuing the sub legal acts in compliance with the articles 2, 4, 15, 17 section 2, 18, 28, 34 and 45 of this law.

2. The Minister covering the area of territory planning shall be in charge of issuing the sub legal acts in compliance with articles 11 and 12 of this law.

Article 47
Abrogation

Law No.9304, dated 23.10.2004 “On the legalization and urban planning of informal zones” and Law No. 9209, dated 23.03.2004, “On legalization of extensions to the buildings” are abrogated.

Article 48
Entry into force

This law enters into force 15 days after its publication in the Official Journal.

Proclaimed with Decree no. 4831, dated 25.4.2006 of the Presidnet of the Republic of Albania, Alfred Moisiu.