

LAW

No. 9482, dated 3 April 2006

ON LEGALISATION, URBANISATION AND INTEGRATION OF ILEGAL CONSTRUCTIONS

Pursuant to Articles 78 and 83, point 1, of the Constitution of the Republic of Albania, at the proposal of the Council of Ministers,

THE PARLIAMENT OF THE REPUBLIC OF ALBANIA

DECIDED:

CHAPTER I GENERAL DEFINITIONS

Article 1 Purpose

The purpose of the said Law includes:

1. Legalisation of illegal constructions built at “formal settlements,” “informal areas,” “other territories,” as well as “illegal additions to legal constructions.”
2. Transfer of ownership of the building block on which an illegal construction is set up, in line with definitions contained in Articles 19, 20, 21 and 22 of the said Law.
3. Urbanisation of informal areas, informal blocks and informal constructions, as well as their integration into the territorial and infrastructural development of the country, improving the living conditions.
4. Procedures for carrying out legalisation of informal areas/constructions, and for setting up and operating the structures responsible for their performance.

Article 2 Scope

1. This Law is applicable to all illegal constructions set up before the date of the entry of this Law into force, whether they were designed for housing, economic activity or other social and cultural functions, which are built and possessed by individuals or legal persons who have been registered and act in accordance with the Albanian Commercial Law.

The Council of Ministers defines the criteria, procedures and documentation applicable for confirming the eligibility of constructions to be legalised or not.

2. Functional constructions (fencing) and subsidiary facilities (parking) set up in the context of illegal constructions, completed by the target date prescribed by point 1 of this Article, shall be legalised only if they happen to be within the surface of the building block to be legalised in accordance with Articles 19, 20, 21, and 22 of this Law.
3. In terms of illegal constructions built within areas designed as priority areas for tourism development, established by Law no. 7665, dated 21 January 1993, “On priority areas for tourism development,” within three months from the entry of this Law into force the

Council of Ministers defines formal settlements, informal settlements and other territories located within priority areas for tourism development, in which legalisation in line with this Law will take place. The count-down for the time-limit surrounding self-declaration starts off following the taking of the decision on these areas.

4. The scope of this Law does not affect illegal constructions set up on private territory within yellow boundary [marking borders of the urban areas], where the regulatory town plans provide for constructions of over 5 stories starting from ground zero.

5. All illegal constructions, which fall short of meeting the conditions contained in points 1, 2, 3 and 4 of this Article, and those [constructions] for which no application for legalisation within the time-frame established in point 1, Article 7, this Law has been filed, shall be pulled down in compliance with Law no. 8408, dated 25 September 1998, "On Construction Police."

Article 3 **Definitions**

The terms used in this Law shall have the following meanings:

- a. "illegal construction" is an object with finished carcass and roofing, which is designed for housing, economic activity and/or other functions (as, for instance, social and cultural activities, education, health, and others of the like), within the territory defined as "formal settlement," "informal area" or "other territory," for which procedures contained in Law no. 8405, dated 17 September 1998, "On town-planning," have not been observed.
Illegal constructions include also informal prolongations and additions to legal objects found within formal settlements constructed by entities, physical and legal persons, private individuals, for selling/leasing purposes (dwellings, offices, shops, workshops, and parking), or for their own use.
- b. "informal area" is a territory with a surface of over 5 hectares, occupied by illegal constructions, which is subject to no special protection by the laws and subordinate laws in force.
- c. "informal housing block" is considered a territory accommodating illegal constructions, with its surface ranging from 1 to 5 hectares, within or out of a formal settlement.
- d. "isolated illegal construction" is an object (or a group of objects) set up illegally on a plot/territory of up to 1 hectare.
- e. "informal area/settlement/construction boundary" is a geographical line marking the territorial spreading out of informal constructions, approved by the Council for Territorial Adjustment in the Republic of Albania (KRRTRSH), on the basis of the current provisions concerning informal areas, and the respective local government unit, through its elected body and/or the Council for Territorial Adjustment (KRRT), for informal settlement/construction.
- f. "formal settlement" is a territory found within (yellow) boundaries officially designed for the inhabited urban areas (town) or rural areas (countryside).
- g. "informal settlement" is a territory of over 5 hectares, which is officially designed for the inhabited urban areas (town) or rural areas (countryside).
- h. "other territories" are agricultural lands (arable lands, surfaces planted to fruit-trees/vegetables, olive-groves, vineyards) and non-agricultural lands (forests, pastures and unproductive lands).
- i. "building blocks" are the areas occupied by owner of illegal construction.
- j. "owner of illegal construction" is a physical or legal person who has set up himself, or has invested in an illegal construction, and confirms that he possesses or freely owns

it and the building block, irrespective of the fact that their title is not registered in his name in the Immovable Property Registration Office (ZRPP).

- k. “legalisation permit” is a document, which is issued according to the procedure established in this Law by the respective office of the Agency for the Legalisation, Urbanisation and Integration of Informal Areas/Constructions, and serves for registering the object at the Immovable Property Registration Office.
- l. “local government units” are the communes and municipalities. In this Law, the municipal unit (for Tirana) and the Region are not referred to as local government units, but as municipal unit and region, respectively.
- m. “ALUIZNI” is the special state agency established according to this Law, entitled the Agency for Legalisation, Urbanisation and Integration of Informal Areas/Constructions, which under this Law coordinates the activities between the central government bodies and local government units/municipal units, and issues legalisation permit.

CHAPTER II

CENTRAL AND LOCAL GOVERNMENT BODIES [TASKED WITH] THE LEGALISATION, URBANISATION AND INTEGRATION OF INFORMAL AREAS/CONSTRUCTIONS AND ADDITIONS

Article 4

Agency for the Legalisation, Urbanisation and Integration of Informal Areas/Constructions (ALUIZNI)

1. The Agency for the Legalisation, Urbanisation and Integration of Informal Areas/Constructions coordinates activities between the central government bodies and the local government units for:
 - a) developing and adopting town-planning studies;
 - b) developing the minimum town-planning standards and norms for the informal areas/constructions, in cooperation with the Town-planning Design and Study Institute (ISPU);
 - c) identifying the procedures concerning the process of legalisation, urbanisation and integration of illegal constructions at formal settlements, informal areas and other territory;
 - d) planning out State Budget funds designed for the legalisation and urbanisation of informal areas and the necessary adjustments or, where appropriate, at formal settlements;
 - e) collecting and/or submitting the documentation for legalisation, in line with the said Law, to the town-planning office, the regional council, the KRRT or/and the KRRTRSH, where through lack of capacities, neglect or some other obstacle, the local government unit does not exercise for whatever motive its responsibilities for the realisation of the process. The time- frame, manner and time for the exercise of this responsibility by the ALUIZNI are determined with decision by the Council of Ministers;
 - f) issuing the legalisation permit under Article 27 of this Law;
2. Pursuant to the tasks provided for in this Law, ALUIZNI deals with:
 - a) setting up the database for the illegal constructions, and the legalisation progress;
 - b) awareness-raising campaign and nationals’ sensitisation, in cooperation with the mass media, at a national level;
 - c) preparing handbooks on procedures, directives, forms and training sessions for the local government units, throughout the process;
 - d) supervising the legalisation process and implementation of procedures by the local government units and regional councils;
3. The manner for the organisation and functioning of this Agency, as well as the procedures

concerning collection, processing and management of data, according to letter “a”, point 2, of this Article, are determined by the Council of Ministers. ALUIZNI offices are set up at the centre, at a regional level and at special local government units, which are identified with decision by the Council of Ministers.

4. The line Ministries, the ALUIZNI and the local government bodies run the public awareness campaign about the benefits and obligations that the legalisation process entails.

Article 5

Tasks of the local government units

Under the said Law, the local government unit discharges the following tasks:

a) it sets up the required structures designed for receiving, handling and checking on self-declarations regarding illegal objects, and for implementing the tasks prescribed by this Law for the carrying out of the legalisation process.

In the Municipality of Tirana, self-declaration takes place at the 11 municipal units of local government, with these units being established and organised under Law no. 8654, dated 31 July 2000, “On the organisation and functioning of the Municipality of Tirana”;

b) it identifies on site the illegal constructions for which no self-declaration has been handed in, identifies all the eventual cases of illegal constructions erected following adoption of the said Law, and initiates procedures for their demolition, under Law no. 8408, dated 25 September 1998, “On construction police.”

c) it cashes the payments made by an entity legalising construction in conformity with this Law, except for the land of the building block;

d) it manages the revenues generated, and monitors their use in line with this Law;

e) it coordinates activities, where necessary, among the regional council, the ALUIZNI, the line Ministries and the KRRTRSH so as to ensure smooth running and progress of the process of legalisation, urbanisation and integration of informal areas.

Article 6

Tasks of the town-planning unit at the local government unit

Under the said Law, the town-planning unit at the local government unit has the following tasks to perform:

a) it checks on the real situation surrounding constructions on site, and on the basis of the documentation set forth in point 3, Article 2, of this Law, develops or commissions the mapping, and builds the necessary information systems;

b) it carries out the technical updating of the layout, on site, of illegal constructions and the territories occupied by the latter, at the boundary and extension of the surface of formal settlement, informal area (adopted by the KRRTRSH), or other territories;

c) it sets design tasks for town-planning studies, and develops or commissions town-planning studies, under this Law;

d) it collects documentation during the self-declaration process, and hands it over to the relevant ALUIZNI office for examination for the purpose of the legalisation permit.

For these structures to fulfil the responsibilities provided for in this Law, they may hire additional staff.

CHAPTER III

PROCEDURES AND TIME-FRAMES

Article 7

Self-declaration

1. All entities in possession of illegal constructions are obliged, 60 days from the entry of this Law into force, to submit a self-declaration about them (illegal object and building block) to the town-planning office at the relevant unit.

1.1. The town-planning office at the local government unit, in conformity with its tasks under this Law, is obliged to accept self-declarations for up to a period of four months as of the date of the beginning of the timeframe provided for in point 1 of this Article. In the event of local government bodies, arranged in administrative units or regions, self-declarations are submitted to these units or regional offices.

1.2. The illegal construction and the surface of building block are self-declared on the basis of the form attached to this Law, which comprises its Appendix "A".

2. Under Article 8 of this Law, the self-declaration period entails a voluntary process for all entities during the first two months, whereas during the last two months the self-declaration process is associated with sanctions. The sanctions applied under Article 8 of this Law benefit the local government where self-declaration takes place.

Article 8

Sanctions applied through failure to observe time-limits

In the event that self-declaration does not take place within the legal time-limits provided for in points 1 and 2 of Article 7 of this Law, the following penalty is imposed:

I. For "informal settlements" and "other territories":

a) by the third month, self-declaration is accompanied by a fine of 10 lekë per square metre of occupied surface;

b) by the fourth month, self-declaration is accompanied by a fine of 20 lekë per square metre of occupied surface;

c) with the expiry of the time-frame for self-declaration to be submitted, an entity loses its right to enjoy legalisation.

II. For "formal settlements" the same tariffs and time-limits are applied, but they refer to:

a) surface of block for building "villas";

b) surface built (square metres of construction) for additions designed for housing, not for selling;

c) surface built (square metres of construction) multiplied by coefficient 3, for commercial additions built by physical and legal persons, for selling/leasing purposes.

Article 9

Office responsible for self-declarations

Self-declaration by entities that have built illegal constructions, takes place at the town-planning office at the local unit in whose territory the illegal object is found. Under Article 4 of Law no. 8654, dated 31 July 2000, "For the organisation and functioning of the Municipality of Tirana," for the Municipality of Tirana, self-declaration takes place at the municipal units in whose territory the land is found.

In the event that:

a) the illegal construction is surrounded by unclear administrative situations, then the self-declaration about them is submitted to the closest local government unit, with the local unit that has registered the physical person or the local inhabitants as voters in the voters' lists for the parliamentary elections for the 17th Legislature being as the

- orientation criterion;
- b) the illegal construction falls within the administrative borders of more than one local units, then the construction is declared to the local unit accounting for the largest part of the building block.

Article 10

Procedure for initiating legalisation of illegal constructions

The following is the procedure adhered to for initiating the legalisation process:

- a) under Article 7 of this Law, self-declaration by entities that have built illegal objects, is submitted to the town-planning office;
- b) as well as receiving self-declarations, the body appointed under Article 7 of this Law checks on illegal constructions on site with a view to incorporating them into the legalisation process. Within the time-limits provided for in this Law, the town-planning unit at the local government level develops a report on the current situation, along with the technical and legal argumentation for the area;
- c) for the informal areas and informal settlements, in the meaning of this Law, the report on the current situation, along with the technical and legal argumentation, is submitted to the regional council within a period of 30 days following expiry of the deadline for self-declaration. The regional council examines and adopts the informal areas within 30 days from the submission of the relevant document. The areas are submitted to the KRRTRSH for approval at its nearest meeting;
- d) for informal settlements and constructions, within or adjacent to (yellow) boundaries, officially approved for the inhabited urban areas (town) or rural areas (countryside), the report on the actual situation, along with the technical argumentation, is submitted to the town-planning office of the relevant local government unit within 30 days from the expiry of the deadline provided for in Article 7 of this Law. Examination and adoption of documents takes place at the municipal or communal council and the KRRT of the relevant municipality/commune within 30 days;
- e) the decision for the informal objects/blocks of up to 1 hectare, for illegal settlements and constructions, isolated or located in other territory, and for “illegal additions to legal constructions”, is taken by the town-planning unit and the relevant KRRT of the local government unit. Submission of report on the current situation, along with the technical argumentation, and the examination and adoption take place at the town-planning office and the local government council within 6 months from the expiry of the deadline provided for in Article 7 of this Law.

For illegal constructions on “other territory”, the relevant town-planning office requires the consent by the regional council and the regional agricultural and food departments and the regional environmental agencies. The regional council and the regional agricultural and food departments and the regional environmental agencies provide an answer to the town-planning office within 30 days from the filing of application and submission of documentation.

The town-planning office **immediately** (awkward word in the text?) submits the relevant documentation to the regional council and the regional agricultural and environmental departments not later than 30 days from the filing of application and submission of documentation.

With the town-planning offices or regional councils falling behind schedule in exercising their responsibilities laid down in this Article, then, under point 4, Article 4, of this Law, the ALUIZNI takes over the exercise of these responsibilities.

Article 11

Examination by the KRRTRSH

1. In the event that, under Article 10 of this Law, the process of the legalisation of construction is approved by the KRRTRSH, the local government unit or the regional council submit the technical-legal documentation on informal constructions on their territory to the ALUIZNI within 30 days from the completion of procedures at the local unit or regional council.

1.1. The ALUIZNI submits the processed documentation, along with its critical review, to the Council for Territorial Adjustment in the Republic of Albania within 15 days. The documentation is examined and adopted in its next meeting.

The technical-legal documentation referred to in point 1 of this Article is determined through directive by the Minister in charge of the territorial planning activity.

2. The KRRTRSH establishes by way of a decision the designation and boundary of the informal area/settlement over 5 hectares.

3. The KRRT and the elected local government bodies establish by way of a decision the designation and boundary of the informal housing block over 1 to 5 hectares.

Article 12

Coordination of activities between the local government units and the ALUIZNI

1. The local government units regularly, on a monthly basis, provide the ALUIZNI with comprehensive data on the number of the examined self-declared objects, the applications for legalisation along with the accompanying documentation, the variety and typology of the illegal constructions and/or areas, the amount of investment, the amount of tax for impact of new constructions on infrastructure, sanctions in the meaning of this process, as well as reports on issues concerning difficulties encountered and problems requiring solution.

2. The manner for completing these data and their safeguarding are determined through a directive by the Minister in charge of territory-related issues.

Article 13

Suspension of procedures in polluted areas

1. The Council of Ministers has the right to suspend the implementation of procedures of legislation of illegal objects located on territories revealing a high level of environmental pollution, and develop or apply strategies for the elimination of environmental pollution in the area on the basis of concrete time-limits. Under Article 7 of this Law, the regional council submits within 30 days from the expiry of the established time-limit concrete propositions for suspending the legislation procedure on account of the high level of pollution.

The Council of Ministers considers the proposal put forward within 30 days from the deposition of documentation and takes a decision on this issue.

2. Two months following the entry of this Law into force, the local government units shall identify and register all the inhabitants settled in areas known and problematic for the level of pollution, and send written notification to the ALUIZNI.

3. The head of the local government unit, in cooperation with Construction Police, undertakes specific measures so as to prevent new constructions from going up in these areas.

Article 14

Legal effects of decision-making by the KRRTRSH

1. Under Articles 10 and 11 of this Law, the decisions taken by the KRRT and the

KRRTRSH, have the following implications:

- a) a change in the regime of soil into land;
 - b) a change in the destination of use as dwelling/economic area.
2. The decisions taken by the KRRT and the decisions taken by the KRRTRSH are made known to the land management and protection section at the regional council, which reflects the changes in the stock of agricultural land.

CHAPTER IV TRANSFER OF OWNERSHIP OF BUILDING BLOCK

Article 15 Registration of property at the Central Immovable Property Registration Office

1. Under Law no. 7843, dated 13 July 1994, "For the registration of immovable property," the property legalised under this Law is registered in the immovable property registers. Registration of land takes place on the basis of the data contained in the legalisation permit issued under Article 28 of this Law.
2. In the event that the legalised building block features in the immovable property registers in the name of private entities, then, with the registration of the legalisation permit, a private entity is entitled to receive remuneration in kind or in lekë.
3. In terms of all the cases mentioned in point 2 of this Law, on a three-month basis the Immovable Property Registration Office provides the Council of Ministers with a list of the physical or legal entities receiving remuneration under this Law, the data on each and every owner, and the contact areas. The first deadline for the delivery of the list to the Council of Ministers is 1 December 2006.
4. The Council of Ministers, within 30 days from the [expiry of the] deadline for the delivery of the list by the Central Immovable Property Registration Office, takes decision for remunerating the owners and on the contact areas. The property restitution and compensation commissions at a regional level provide compensation to entities in conformity with the decision by the Council of Ministers within 3 months.
5. For the purpose of calculating the area to be compensated, the property restitution and compensation commission at a regional level handles it as land in compliance with the methodology for the evaluation of the immovable property to be compensated and the one to serve for compensation, under Law no. 9235, dated 29 July 2004, "On property restitution and compensation," as amended.

Article 16 Specific regulation for those in possession of [building] block, according to a legal unregistered act

1. If an entity, which owns an illegal object, is in possession of a contract concerning transfer of ownership of the building block, concluded or certified before a public notary, with the lawful owner or by the person who has conducted the transfer of the ownership right, irrespective of the number of transactions performed, it submits it to the town-planning office.
2. With regard to all this pool of people, who are in possession of such contracts, the transfer of ownership of the building block is registered according to the contract, with the registration tax in force only being paid to the Immovable Property Registration Office, without interest on arrears and applicable taxes.

In the meaning of this article, the term "contract" refers to each and every legal act for

the transfer of the immovable property recognised under the provisions of the Civil Code, in the form of a special contract, including also the agreements concluded or certified before a public notary, with possession of immovable property being the object.

3. A proprietor, who has carried out the transfer of the building block in line with point 2 of this Article, is divested of the right to compensation under this Law, or under the Law “On property restitution and compensation.”

Article 17

Transfer of ownership of building block

1. The transfer of ownership of the building block or land from the State to the self-declarer takes place in line with the provisions of the Civil Code. For the purpose of legalisation, a building block as a rule is not more than 500 square metres. The areas of land, which on account of the size or layout cannot be used in and per se for construction, are attached to the building block, and are sold to the land owner at the market price.

2. The price of land for the building block, for illegal constructions designed for housing, is set in line with Articles 19, 20, 21 and 22 of this Law. If an illegal object has a social-economic destination or is used according to this destination, the price of land for square metre is paid at the market value at the moment of the transfer of ownership.

If an illegal object has a mixed housing and social-economic destination, the selling price of land is fixed according to the price established for the selling of land designed for housing per square metre, multiplied by the coefficient of the use of building with a social-economic destination. The coefficient is established by the Council of Ministers in relationship with the use of the building overall.

3. The local government bodies determine the destination of object according to the self-declaration or verification on site, including also the data available to them under the Law “On local government bodies.” The object is registered in the registration office according to destination.

Article 18

1. Payment of the price of land of building block takes place immediately at the moment of the signing of the contract.

Exception to the foregoing rule concerns only payment of price of constructions intended for housing. In these cases, in default of purchasing power, an entity is entitled to put off payment of purchasing price, at his own request, in two instalments within one year from the day of [the conclusion of] contract. A subject, found in the conditions of financial incapacity, shall report this fact at the moment of self-declaration of the illegal construction. This self-declaration is taken for granted.

2. The central office of the ALUIZNI is entitled to grant an individual entity, who has not has paid off an instalment according to contract, extension of the deadline for payment of the due. The maximum time-limit for handling this due is not more than 3 additional years. The Council of Ministers is charged, depending on the cases declared through purchasing power, with defining the alternative ways and procedures for paying off this due.

Payment of the price contained in the selling contract is made to the account number opened for this purpose by the ALUIZNI.

Article 19

Selling prices in informal areas

For building blocks outside of the yellow boundary, the following prices are applied:

- | | |
|--|-------------------|
| a) for surfaces up to 100 m ² | 100 thousand lekë |
| b) for surfaces up to 200 m ² | 150 thousand lekë |
| c) for surfaces up to 300 m ² | 200 thousand lekë |
| d) for surfaces up to 400 m ² | 300 thousand lekë |
| e) for surfaces up to 500 m ² | 400 thousand lekë |
| f) for surfaces over 500 m ² , according to the market value at the moment of the transfer of ownership | |

If an illegal construction is designed for social-economic activities, the price of land is established on the basis of the market value at the moment of the transfer of ownership.

Article 20

Selling price within yellow boundaries

For building blocks of informal settlements/constructions within yellow boundaries, the following selling prices are applied:

- | | |
|---|-------------------|
| a) for surfaces up to 100 m ² | 200 thousand lekë |
| b) for surfaces up to 200 m ² | 300 thousand lekë |
| c) for surfaces up to 300 m ² | 400 thousand lekë |
| d) for surfaces over 300 m ² , according to the market value at the moment of the transfer of owners | |

If an illegal construction is designed for social-economic activities, the price of land is established on the basis of the market value at the moment of the transfer of ownership.

Article 21

Selling price for additions to constructions within yellow boundaries

1. For surfaces of territories occupied by illegal lateral additions to legal constructions (not intended for selling/leasing), within yellow boundaries, the following selling prices are applied:

- | | |
|--|-------------------|
| a) for surfaces up to 50 m ² | 100 thousand lekë |
| b) for surfaces up to 75 m ² | 200 thousand lekë |
| c) for surfaces up to 100 m ² | 400 thousand lekë |
| d) for surfaces over 100 m ² , according to the market value at the moment of the transfer of ownership | |

2. If additions are designed for social-economic activities, the price of land is established on the basis of value at the moment of the transfer of ownership.

Article 22

Payments [applied] in “other territories”

The same tariffs as those provided for in Article 19 of this Law are applied for building blocks in “other territories.” However, the State is not involved in investing for the infrastructure in these territories. Before deciding on transferring ownership in favour of an entity, the local government unit council seeks special approval by:

- a) the regional council and the Ministry of Agriculture, Food and Consumer’s Protection for lands falling under category **bonitete** (1-4);
- b) the regional council for lands falling under category (5-10).

Article 23

Tax of impact on infrastructure

Local tax of impact on infrastructure is applied to the minimal extent, established for the relevant local unit, under point 2, Article 16, Law no. 8982, dated 12 December 2002, “On the system of local taxes,” as amended.

Article 24

Application of legalisation in pilot areas

For the informal zones included in the “pilot areas” targeted by the Urban Land Management Project funded by the World Bank, the tax of impact on infrastructure is equal to the difference between the tax provided for in this Law and the amount of financial contribution that the possessor of illegal construction has made till the moment of legalisation for adjustments to infrastructure in his area, if this difference turns out positive.

Article 25

Cases where an entity is in possession of more than one informal construction

1. In the event that an entity declares more than one informal construction, then it is entitled to choose for which object it is going to benefit the transfer of ownership and legalisation based on the tariffs prescribed by this Law. For the other objects, the price and tax tariff according to the market value and amount in force are applied, irrespective of the categorisation of objects under discussion and the size of the respective land plot.
2. The notary statement on the resignation of exercise of the right to building block will no longer have any effect on this entity, and the entity is treated as provided for in point 1 of this Article.

Article 26

Settlement of disputes about the rights with the entity itself

1. If during legalisation there are disputes about the relationships of ownership of the object or/and about the involvement of other persons claiming their rights to the building block, which is being legalised under this Law, these disputes are settled by the court.
2. During the examination of the legal conflict, the procedures for the legalisation of the object are suspended and are resumed, subject to this Law, following a final court decision, provided that the illegal construction is self-declared according to the time-limit provided for in Article 7 of this Law.

Article 27

Technical-legal documentation for the legalisation of an object

The applicant entity interested in legalising an illegal object, shall submit:

- a) plan of object using the scale 1:500, issued by the local unit;
- b) plan for each floor of the object and the surfaces in square metres to be legalised using the scale 1:100;
- c) family certificate;
- d) authentication certifying payment of tax of impact on infrastructure for all the cases where the entity is not exempted from payment of tax under this Law and the legislation in force;
- e) authentication or certificate certifying ownership of building block, issued by the

relevant Immovable Property Registration Office (after the entity receives it under this Law, if it possesses it immediately after self-declaration); (loose formulation)

- f) personal statement assuming the responsibility for any consequence deriving through natural causes and/or use of dwelling. Under this Law, the State is not held responsible for compensation or indemnity in cases of misfortunes on account of quality of works on the object;
- g) statement whereby agreeing to the implementation of the regulatory plan, including observation of public spaces, greenery, type of fencing, colours, lightning, and parking;

In any case, the local government unit, in consultation/cooperation with the ALUIZNI, sets the service fees for the afore-mentioned issues, under the legislation in force.

Article 28

Issuing legalisation permit

The relevant office of the ALUIZNI, following completion of all the documentation referred to in Article 27 of this Law, within 30 days from submission of application, issues the legalisation permit. The same arrangement, but with specific amendments provided for in this Law, is also applied to “illegal additions to legal constructions.” The criteria, procedures and form of the legalisation permit are determined with decision by the Council of Ministers. The form of self-declaration is attached to this Law, as Appendix “A.”

Article 29

Documentation for registration of object with the Immovable Property Registration Office

The legalisation permit, along with the documentation specified by this Law, confirmed by the relevant office of the ALUIZNI, is submitted to the Immovable Property Registration Office for the registration of the object in the immovable property registers, in compliance with the legislation in force for this institution.

Article 30

Registration of property

1. If an illegal construction is possessed by an entity, the contract for the transfer of ownership of the building block and the object to be legalised are registered in the name of the entity that is in possession of the object. Under this Article, for the registration of the legalised property the Immovable Property Registration Office enforces the provisions of Law no. 9062, dated 8 May 2003, “The Family Code,” Chapter II, “Shared matrimonial property regime.”

2. If an illegal construction is possessed by more than one physical or legal person, the registration of contact parts on property (plot and object) is made:

- a) in undivided, ideal parts, according to the number of entities;
- b) in divided contact parts, according to the agreement freely signed among entities and deposited before the deadline for self-declaration, under Article 7 of this Law, to the town-planning unit. As well as the contact parts, entities may also define the relevant physical parts if they are willing.

Article 31

Urbanisation of informal areas

1. Urbanisation of informal areas takes place on the basis of partial urban studies at the close of the legalisation process.

a) Development of partial urban studies is carried out or commissioned by the local government units under the legal provisions in force. In any case, urban studies shall observe the plans, approved by the KRRT of municipality/commune, of public spaces and squares, for investment in roads, infrastructure and social-cultural objects.

b) The regional council approves by way of a special decision the urban study of the territory of informal areas/settlements and other territories amounting to over 1 hectare for the relevant region. The municipality/commune operates for all territories within yellow boundaries.

c) The KRRTRSH approves the urban studies [of territories amounting to] over 5 hectares in its nearest meeting, following their approval by the relevant local government unit and their submission to the KRRTRSH.

d) For the informal areas/constructions the “minimum urban norms and standards” are developed. The ALUIZNI and the Institute for Urban Studies and Designs are assigned with the development of these norms/standards within 2 months from the adoption of this Law. The “minimum urban norms and standards” are approved by the KRRTRSH.

2. For the urbanisation of informal areas, during the process for developing the urban studies and their realisation, the local community may also contribute on the basis of a co-financing and control contract signed to that effect.

Article 32

Division of incomes cashed from legalisation of illegal constructions

1. The incomes cashed through the transfer of ownership of building block are divided in the following way:

a) 20 per cent of the incomes benefits the local government unit budget so as that it copes with the expenditure made or to be made for updating the layout plan of the informal area/block, for local investment in infrastructure and services, and for the development of urban studies;

b) 80 per cent is transferred to the State Budget to be disbursed to the fund of financial compensation, provided for in Law no. 9235, dated 29 July 2004, “On the restitution and compensation of property,” for the State Committee for the Restitution and Compensation of Property, according to legislation.

2. The incomes accumulated from payment of tax of impact on infrastructure, taxes of service during the legalisation procedure at the local unit, as well as all other penalties accompanying the process of self-declaration and legalisation, under this Law, are cashed into the bank account of the local unit where self-declaration takes place, and are earmarked by it for improvement in the infrastructure and urbanisation of the territories that are legalised.

Article 33

Mandatory provision

Failure to bring in declaration within the time-limit, false declaration of occupied construction and surface, and failure to present comprehensive technical-legal documentation lead to exclusion from the process of legalisation, urbanisation and integration of informal constructions, and demolition of illegal object, in compliance with Law no. 8408, dated 25 September 1998, “On Construction Police.”

Article 34

Recognition of surface of building block for the purpose of compensation

1. Entities that assume ownership of building blocks pursuant to the provisions of this Law, and at the same time, are subject to the application of Law no. 9235, dated 29 July 2004, “On the restitution and compensation of property,” as amended, benefit restitution or compensation only to the extent tallying with the difference between the value of the expropriated immovable property and the value of building block. If this difference turns out to be negative, they do not benefit from Law no. 9235, dated 29 July 2004, “On the restitution and compensation of property,” as amended. This provision is not applicable if the transfer of the ownership of building block to the entity has taken place under point 1, Article 6, of this Law.
2. The methodology in force applicable to the State Committee for the Restitution and Compensation of Property is applied for determining the value mentioned in point 1 of this Article, and the value of the property includes also the payment made by the entity for the transfer of ownership of building block, under this Law.
3. The Council of Ministers determines the criteria and procedures for coordinating work for the identification of these entities between the State Committee for the Restitution and Compensation of Property and the local government bodies and the Immoveable Property Registration Office.

Article 35

Handling of specific cases within yellow boundary for the purpose of the regulatory plan

For illegal constructions prescribed by point 4, Article 2, of this Law:

1. The status of building block does not change, whereas the illegal object is used by the household, which possesses it until the plot is developed according to urban plan in force.
2. If the owner of land builds according to the regulatory plan, at the moment of [submitting application for] a construction-site-related permit the investing company is obliged to file with the relevant town-planning office a notary statement for making, at the completion of the object, the immovable building property available for housing to the household that is in possession of the illegal construction on this land. The housing surface for this household is determined by the norms in force sanctioned for the category of homeless households. While the land is being developed, the investor takes over to cover expenses for the housing of the household that possessed the illegal construction. The investor’s notary statement for the transfer of the dwelling surface to the ownership of the homeless household is registered with the Immoveable Property Registration Office at the moment of submission of the land development contract for registration.
3. The Construction Police intervenes to pull down an object only when the owner of land/the developer is in possession of a building permit concerning the object. (???)

CHAPTER V

LEGALISATION OF ADDITIONS TO BUILDINGS

Article 36

Additions to buildings

This Law is also applicable to the legalisation of illegal additions to legal constructions and/or that have derailed from the approved destination, and public lands occupied by them

for building permits issued by the KRRT or the KRRTRSH. (loose formulation)

This includes:

- a) legalisation of constructions with a surface greater than the project approved with decision by the Councils for Territorial Adjustment of the local units, or the KRRTRSH;
- b) and/or legalisation of constructions revealing changes in the destination of spaces approved with decision by the Councils for Territorial Adjustment of the local units, or the KRRTRSH.

Article 37

Start-off of the legalisation procedure

Under Article 35 of this Law, an entity that has been involved in building construction is obliged to self-declare them to the town-planning office at the relevant KRRT within the schedule prescribed by Article 7 of this Law, and submit the documentation required for legalisation. During self-declaration, along with a copy of the existing permit (if the object is a construction built after 1993) an entity submits the following documents to the town-planning office:

- a) notary statement whereby the licensed designer of building, implementer and investor jointly guarantee the structure sustainability of the object in the process of legalisation, accompanied by a critical review submitted by specialised institutions identified in a directive of the Minister in charge of the territory planning activity;
- b) in cases where an entity cannot produce the document indicated in letter “a” of this Article, it is obliged to bring in expert opinions by a licensed expert or agency with regard to the structure sustainability of the object;
- c) contract concluded with the owner of land for the addition, if it is built on private territory.

In the event that an entity and owner of land do not have a special contract on the illegal addition, the agreement for the construction of the main investment is part and parcel of the required documentation. The parties’ rights and obligations towards the main investment are identified with the parties’ rights and obligations towards the illegal addition.

Article 38

The Institute of the Monuments of Culture, within two months from the entry of this Law into force, provides the ALUIZNI with the inventory of the areas or objects that are monuments of culture, along with the relevant boundaries within which the process of legalisation of illegal additions or constructions is ruled out on account of the special protection they have under legislation. The material produced by the Institute of the Monuments of Culture is prepared separately for each and every region, and through the ALUIZNI is distributed to the bodies of local units at a regional and municipal level, and to the municipal units in Tirana. The material of the Institute of the Monuments of Culture is made public three times in succession in special issues of the Bulletin for Public Notifications.

Article 39

Exempted from legalisation

All additions to constructions, which jeopardise and impact on the regulatory plan, public interest with regard to the main roads/works of public infrastructure (for example, blocking public access, roads, collectors, dams, airports, or main line in infrastructure), or the integrity

of the monuments of culture, are exempted from legalisation.

The first paragraph of this Article affects all illegal constructions.

Article 40

Suspension of legalisation procedures

In the event that, as a result of consideration at court of a dispute between the entity and the owner of the private/bordering land, the court has pronounced a security measure, the procedures for the legalisation of the addition to the object are suspended and are again resumed, under this Law, after the security measure becomes invalid, provided that the illegal addition is self-declared within the time-limit prescribed by point 1.1, Article 7, of this Law.

Article 41

Criteria for the legalisation of additions

The town-planning unit, alongside the time-limit for self-declaration, considers the applications filed for the legalisation of additions, and under Article 43 of this Law, informs the qualified entities on the basis of the criteria for documentation to pay the tax of impact on infrastructure and the fine, if they are subject to it, within 30 days after expiry of deadline for self-declaration under point 1.1, Article 7, of this Law. Examination and approval of legalisation of the addition to construction take place on the basis of the time-limits established in Article 10 of this Law.

Article 42

Applicable procedures and criteria

1. If additions are all or partly built on public territory, an entity submits application for the legalisation of the addition and the public land on which addition is built under this Law. The town-planning office employs the same mechanisms as those provided for in the legislation for the transfer of ownership of the building block on which the addition is built.
2. Illegal constructions or additions to illegal constructions built within the territories of schools and other public institutions are not legalised in the meaning of this Law.
3. No other informal construction, in the meaning of point 2 of this Article is legalised within these territories.

Article 43

Penalties for legalisation of additions built by construction entity

1. The entities, construction companies (and/or investors), which have built lateral additions or additions to top floors not contained in the building permit for the purpose of transferring their ownership or leasing them, [are liable to] pay for the purpose of legalisation according to the schedule set forth in Article 41 of this Law, to the benefit of the local government unit, the following penalties:

a) for every square metre of dwelling surface, a fine amounting to 4 per cent of the minimum fiscal price, as indicated in the tables of agreement between the Constructors' Association of Albania and the General Tax Directorate;

b) for every square metre of surface for social-economic activities, a fine amounting to 10 per cent of the minimum fiscal price, as indicated in the tables of agreement between the Constructors' Association of Albania and the General Tax Directorate;

c) for every square metre of surface with changed destination, a fine amounting to 20 per cent of the minimum fiscal price, as indicated in the tables of agreement between the

Constructors' Association of Albania and the General Tax Directorate.

2. The market value in the meaning of point 1 of this Article only is determined on the basis of the minimum fiscal prices, as indicated in the tables of agreement between the Constructors' Association of Albania and the General Tax Directorate no. 2116, dated 25 May 2004, and the Directive by the Tax Directorate no. 2116/3, dated 14 December 2004.

CHAPTER VI FINAL PROVISIONS

Article 44 Complaints

An entity may submit an administrative complaint to the relevant local unit office or the head of the local government body against the decision taken by the local government unit, which rejects documentation, or if this unit does not issue a written decision within the time-limit provided for in this Law. The same complaints' procedure is also applied with reference to the decisions of the relevant office of the ALUIZNI, under Law no. 8485, dated 12 May 1999, "The Code of Administrative Procedures in the Republic of Albania."

Article 45 Transitory provisions

1. Statements made on the basis of Law no. 9304, dated 23 October 2004, "On the legalisation and urbanisation of informal areas," are taken for granted. If the declared informal constructions have evolved in terms of surface and volume on account of the new informal activities, within the time-limit sanctioned by this Law, an entity is obliged to declare them again from scratch. Under Law no. 8408, dated 25 September 1998, "On Construction Police," failure to declare the new additions leads to removal of right to legalisation and demolition of object.

2. For "informal areas," approved with decision by the KRRTRSH, under Law no. 9304, dated 23 October 2004, "On the legalisation and urbanisation of informal areas," the structures assigned by this Law shall act in line with the stipulations made by this Law.

3. The Council of Ministers, within one month from the approval of the informal areas/settlements, defines the manner for the management of their territory and the priorities in handling these areas.

4. The procedures prescribed by Directives of the Council of Ministers no. 1, dated 6 January 2005, "On the procedures for the collection and processing of the data on constructions and dwellings in 'informal areas'," and no. 3, dated 13 May 2005, "On the procedures of approval of 'informal areas'," are applicable so as to ensure progress of the process of self-declaration and determination of "informal area."

5. It is prohibited to issue construction-site-related permits or building permits to private entities in informal areas, informal housing blocks or other territories until the adoption of an overall regulatory plan.

Article 46 Promulgation of subordinate acts

1. The Council of Ministers is assigned with enacting subordinate acts pursuant to Articles 2, 4, 15, 17, point 2, 18, 28, 34 and 45 of this Law.

2. The Minister in charge of the area of territorial planning is assigned with enacting

subordinate acts pursuant to Articles 11 and 12 of this Law.

Article 47
Revocations

Laws no. 9304, dated 23 October 2004, “On the legalisation and urbanisation of informal areas,” and no. 9209, dated 23 March 2004, “On the legalisation of additions to constructions,” are revoked.

Article 48
Entry into force

This Law enters into force 15 days following its publication in the Official Gazette.

Declared on the basis of Decree no. 4831, dated 25 April 2006, by the President of the Republic of Albania, Alfred Moisiu