LEGISLATIVE BRANCH

LAW No. 3,966

MUNICIPAL ORGANIC LAW

THE CONGRESS OF THE PARAGUAYAN NATION APPROVES WITH THE FORCE OF LAW

LAW

TITLE I GENERAL PROVISIONS

CHAPTER I

The Municipality

Article 1.- The Municipality.

The municipality is a community of residents with its own government and territory, whose purpose is to promote local interests. Its territory shall coincide with that of the district and shall be divided into urban and rural areas.

Article 2.- The creation, merger and territorial modification of municipalities shall be provided for by law, provided that the following requirements are met:

a) a minimum population of 10,000 (ten thousand) inhabitants, residing within the perimeter established for the future municipality;

b) the boundaries must be exclusively natural, such as rivers, streams, lakes or hills, or artificial, such as roads, local roads, corners or buildings clearly identified with the corresponding property or cadastral number;

c) The expert report and the (georeferenced) map of the future municipality must contain the directions, distances and boundaries of each line, with their respective coordinates (UTM) for each point, prepared and signed by an engineer or licensed geographer.

d) sufficient economic and financial capacity to cover the operating costs of its government, administration and the provision of essential municipal public services;

e) the creation of the municipality must not affect the normal functioning of neighbouring municipalities, nor leave the parent municipality without economic resources upon separation;

f) that Community Neighbourhood Councils or Urban Development Commissions, recognised by the local authorities, are functioning regularly in the area;

g) a petition from the residents, formally expressed and signed by at least 10% (ten per cent) of the population referred to in subsection a);

h) when a municipality is created, the law shall assign a toponymic name, unless exceptional circumstances arise;

i) The future municipality must have the minimum urban infrastructure necessary for a town or city, with well-designed streets and roads, schools, colleges, a health centre, a police station, a civil registry office, and offices for the providers of basic water and electricity services.

j) the annual budget of the parent municipality and the amount that will correspond annually in the future to the new municipality in terms of taxes, fees, and other items such as royalties and gambling fees;

k) the project for the future municipality must be accompanied by an expert report on how the parent municipality will be affected, provided that it has a law of creation with well-defined boundaries;

l) statement of reasons;

m) draft bill.

The requirement established in subsection a) of this article may be omitted when special circumstances related to better administration due to the size of the territory and population distribution make it advisable to divide a parent municipality to create a second one.

Article 3•.- Election Period.

If the creation of a municipality is established within the first half of the term of the last municipal elections, the Electoral Justice shall call for the election of its authorities so that they may be held within a period not exceeding eight months.

When the creation is established within the second half of the term, the election shall coincide with the next municipal elections. In all cases, the territory of the new municipality shall remain under the administration of the municipality or municipalities whose territories have been dismembered until the new authorities take office.

CHAPTER II
The Municipality

Article 4º .- Municipality.

The government of a municipality is the municipality.

There shall be a municipality in each of the municipalities into which the territory of the Republic is divided, whose seat shall be the town or city determined by the respective law.

Article 5.- Municipalities and their Autonomy.

Municipalities are local government bodies with legal personality which, within their jurisdiction, have political, administrative and regulatory autonomy, as well as autonomy in the collection and investment of their resources, in accordance with Article 166 of the National Constitution.

Article 6.- Representation of the Municipality.

The municipality is responsible for representing the municipality, disposing of and administering its assets and income, providing public services in general, and any other function established in the Constitution and in the laws.

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Article 7.- Rights and Obligations.

The municipality may acquire rights and privileges obligations and enjoys the advantages recognised by law in favour of the State, legal agreements and in relation to the rights and subsequent entered into with other legal entities or individuals. acts

This provision also applies to associations of municipalities.

Article 8.- Groups of Municipalities.

The municipalities of the country, with the exception of Asunción, shall be grouped according to the amounts of their respective general budgets, as follows:

First group:	Greater than 50% (fifty per cent) of the annual average of the total budgetary amounts corresponding to the municipalities of the departmental capitals.
Second group:	Inferior: 50% (fifty per cent) of the average mentioned in the previous point, up to 12% (twelve per cent) of the same average.
Third group:	Inferiors at 12 per cent (twelve per cent) of the average mentioned in the previous point, up to 3 per cent (three per cent) of the same average.
Fourth group:	Below the minimum established for the third group.

The determination of the group to which municipalities belong in accordance with the provisions of this article shall be established by decree of the Executive Branch, and this classification shall be reviewed for each municipal election.

Article 9.- Protection of Municipal Resources.

No State institution, autonomous, self-governing or decentralised entity may appropriate the income or revenues of municipalities, in accordance with Article 170 of the National Constitution.

Article 10.- Collection of National Taxes.

Municipalities are not obliged to collect taxes of a fiscal nature, except in accordance with the law. However, they may enter into agreements with the Ministry of Finance for the collection of such taxes, in exchange for remuneration to be provided for in the delegation agreement.

Article 11.- Intervention of Municipalities.

In accordance with Article 165 of the National Constitution, municipalities may be intervened by the Executive Branch, with the prior agreement of the Chamber of Deputies, in the following cases:

1) at the request of the Municipal Council, by an absolute majority

decision; 2) by decision of the Municipal Council, which makes it impossible its functioning; and,

3) for serious irregularities in the execution of the budget or in the administration of its assets, following a ruling by the Comptroller General of the Republic.

The intervention shall not last for more than ninety days, and if it results in the existence of the case provided for in paragraph 3), the Chamber of Deputies, by an absolute majority, may remove the Mayor or the Municipal Council from office, and the Superior Court of Electoral Justice shall call new elections to constitute the authorities that will replace those who have ceased to hold office, within ninety days following the resolution issued by the Chamber of Deputies.

CHAPTER III

Municipal Functions

Article 12.- Functions.

Municipalities shall not be obliged to provide services that are the responsibility of the Central Government until the resources have been transferred in accordance with the agreements on the delegation of powers provided for in Articles 16, 17 and 18.

Notwithstanding the provisions of the preceding paragraph and in accordance with budgetary possibilities, municipalities shall have the following functions within their territory:

1. In the area of planning, urban development and land use:

a. municipal planning, through the Municipal Sustainable Development Plan and the Urban and Territorial Planning Plan;
b. the delimitation of urban and rural areas of the municipality;
c. the regulation and supervision of land use and occupation;
d. the regulation and supervision of the real estate subdivision regime;
e. the regulation and supervision of public and private construction, including aspects relating to the alteration and demolition of buildings, structures and mechanical, electrical and electromechanical, acoustic, thermal or flammable installations;
f. the regulation and supervision of advertising installed on public roads or visible from public roads;
g. the regulation and enforcement of fire and collapse prevention standards;
h. the nomenclature of streets and avenues and other public places, as well as the numbering of buildings;
i. the establishment, maintenance and updating of a municipal cadastral information system.

2. In terms of public infrastructure and services:

a. the construction, equipping, maintenance, cleaning and beautification of the municipality's public infrastructure, including streets, avenues, parks, squares, bathing areas and other public places;
b. the construction and maintenance of the municipality's storm drainage systems;
c. the provision of drinking water and sanitary sewerage services, in accordance with the law regulating the provision of such services, in cases where these services are not provided by other public bodies;

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d. the construction, equipping, and maintenance of rural local roads and other communication routes that are not the responsibility of other public bodies;
e. the regulation and provision of sanitation services, including the collection, disposal and treatment of
municipal waste;
f. the regulation of funeral and cemetery services, as well as the provision of such services;
g. the regulation, organisation and administration of supply centres, markets, slaughterhouses and municipal fairs, and similar facilities.

3. In terms of public transport and traffic:

a. the provision, regulation, and supervision of public passenger and freight transport services;
b. the regulation and supervision of traffic on streets, avenues and other municipal roads, including matters relating to the safety and movement of vehicles and pedestrians, and driving requirements for adults. On sections of national and international routes that pass through a municipality, these powers shall be exercised by the authority established for this purpose by the Central Government;
c. the regulation and supervision of the condition of vehicles, with preferential attention to public safety, hygiene and health, and the prevention of pollution.

The minimum requirements for public transport licensing and driving shall be established by the National Transport Directorate (DINATRÅN) and the Metropolitan Area Transport Secretariat (SETAMA), as appropriate.

4. In terms of the environment:

a. the preservation, conservation, restoration and improvement of significant natural resources;
b. the regulation and enforcement of standards and patterns that guarantee the environmental quality of the municipality;
c. the enforcement of compliance with national environmental regulations, subject to agreement with the competent national authorities;
d. the establishment of a local regime of easement and delimitation of the banks of rivers, lakes and streams.

5. With regard to public shows and places of public gathering:

The regulation and supervision of public shows and private venues open to the public, with a focus on environmental preservation, safety, health, hygiene, the protection of children and adolescents, and individual or collective rights to rest and tranquillity.

6. In terms of historical and cultural heritage:

a. the preservation and restoration of cultural, archaeological, historical or artistic heritage, and of sites or places of environmental or scenic value;
b. the creation of an inventory of buildings and sites of cultural, archaeological, historical or artistic value, and of sites or places of environmental or landscape value.

7. In the area of health, hygiene and sanitation:

a. the regulation and control of hygienic conditions for the handling, production, transport and marketing of food and beverages;
b. the regulation and control of hygienic conditions in premises where foodstuffs or beverages of any kind are manufactured, stored or sold;

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c. the regulation and control of "hygienic conditions in public premises and spaces;
d. the regulation and control of the conditions for keeping domestic animals in urban areas;
e. the protection of consumer rights;
f. the development of municipal health plans in accordance with the needs of the municipality's population, taking into account the principles of equal opportunities, gender equality, non-discrimination and ethnic diversity;
ø. The development and implementation of special plans for reproductive health, family planning, sexual health, and maternal and child health for low-income populations;
h. the organisation and coordination of Local Health Councils;
i. participation in the formulation of national, regional and local health policy and strategy, and in the oversight, monitoring and evaluation of the implementation of the National Health Plan, through Local Health Councils and Local Executive Committees;
j. the provision of health services;
k. participation in activities for the promotion, recovery and rehabilitation of health and the prevention of disease;
i. the promotion of health education.

8. In the field of education, culture and sport:

a. the provision of education services;
b. the development of municipal education plans, taking into account the educational needs of the municipality's population and considering the principles of equal opportunities, gender equality, non-discrimination and ethnic diversity;
c. the stimulation of community education promotion activities, support for parents' and students' organisations, and the promotion of private contributions to education;
d. the construction, improvement, and maintenance of premises intended for public education, including the provision of equipment, furniture, supplies, and general provisions;
e. the promotion of culture, sport and tourism;
f. the promotion of civic awareness and solidarity among the population for their participation in activities of community interest.

9. In terms of productive development:

a. the provision of technical assistance and promotion services for micro and small businesses and enterprises;
b. the planning, development and implementation of municipal sustainable development projects;
c. participation in the formulation of national, regional and local economic, social and environmental development policy and strategy;
d. the development of employment plans and programmes in coordination with the competent national authorities, in order to channel labour supply and demand and promote employment.

10. In the area of human and social development:

a. the planning, preparation and implementation of municipal projects for human and social development, care for vulnerable sectors and the promotion of gender equality;
b. the construction, improvement and maintenance of the necessary social infrastructure in the municipality, including the provision of equipment, furniture, supplies and general provisions, managing and supervising their use for the adequate provision of services for women, children and adolescents, the elderly and vulnerable sectors in general;

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c. participation in the formulation of national and departmental policies and strategies for gender equality, the promotion and care of women, children and adolescents, and the most vulnerable sectors;
d. the implementation of comprehensive programmes aimed at the protection and promotion of children and adolescents, equality between men and women, the political and social participation of women, and the integration into social life of persons with physical and mental disabilities and senior citizens;
e. the implementation of comprehensive programmes to combat poverty.

11. In addition, municipalities shall have the following functions:

a. regulating the opening, control, and operation of pawnshops and municipal credit institutions;
b. the prevention and response to emergencies and disasters;
the organisation and operation of the municipal police for the control of traffic, construction, public entertainment and food safety and hygiene,
shops and other premises with high numbers of people;
d. the promotion of peaceful solutions to community and institutional disputes and conflicts through the use of mediation, conciliation, round-table discussions or other alternative and complementary means to ordinary justice recognised by law;
e. verification and inspection of weights and measures or any measuring instrument;
f. other functions prescribed in this or other laws, as well as those that are implicit in constitutional municipal functions or are essential for the fulfilment of these.

Article 13.- Conditions for the Exercise of **Municipal Functions.**

Municipal functions shall be exercised in accordance with applicable legislation and in coordination with the competent national and departmental authorities.

Article 14.- Functions not listed.

Municipalities may promote, within the scope of their functions, all kinds of activities and provide any public services that contribute to satisfying local interests, as long as these are not subject to national or departmental regulations.

Article 15.- Powers.

In accordance with current legislation, municipalities may:

a. issue and enforce ordinances, regulations, and resolutions;
b. establish and regulate municipal departments;
set the amounts of fees established by law, which may not exceed the costs of the services actually provided;
d. prepare, approve, modify and execute its own general budget;
e. take out public and private, national and international loans and trusts;
f. contract works, services and supplies; and grant concessions, permits and authorisations;
g. collect, administer and dispose of its assets and resources;
h. appoint, transfer and dismiss its officials and impose disciplinary sanctions;
i. Impose penalties for misconduct;
j issue individual orders for the execution of an act or the prohibition thereof;

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k. granting or revoking licences;
1. enter into agreements with public or private institutions;
m. establish partnerships between sf, cooperatives, foundations and other non-profit entities, as well as with municipalities in other countries, within the framework of national legislation;
n. sign cooperation, assistance and integration agreements with national municipalities or those of other countries;
ñ. "Decentralise the management of services and the collection of fees for them, providing alternative locations where users can go to carry out the relevant procedures;
o. to execute its resolutions, by virtue of the presumption of legitimacy, enforceability and executability of its acts; and
p. any other powers provided for in the National Constitution, the laws or arising from the public and autonomous nature of municipalities.

Article 16.- Agreement on the Delegation of Powers.

In addition to the functions established in the Law, municipalities may exercise national or departmental powers delegated by other public bodies and entities in matters that affect their own interests.

The exercise of delegated national or departmental powers shall require a prior agreement between the delegating administration and the municipality.

The agreement must specify its scope, content, conditions and duration, as well as the control retained by the delegating administration, the cases in which the agreement may be terminated, and the resources transferred by the delegating administration to the municipality.

For the delegation to be effective, the agreement must be approved by the respective Municipal Councils.

The delegated powers shall be exercised in accordance with the legislation in force for the delegating administration.

CHAPTER IV
Interinstitutional Relations

Article 17.- Intergovernmental Relations.

In their mutual relations, the National Government, departmental governments, and municipalities shall:

a) respect the legitimate exercise of the powers of each administration;
b) consider, in the exercise of their own powers, all public interests involved and, specifically, those whose management is entrusted to other administrations;
c) provide information on their respective activities that is relevant to other administrations; and
d) provide assistance to other administrations, especially municipalities with fewer resources, based on technical, financial, and human resources cooperation.

Article 18.- Intergovernmental Agreements.

agreements or accords entered into by municipalities with departmental governments or c
l s or mechanisms and State entities, shall specify at least:

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a) the bodies that enter into the agreement and the legal capacity with which each of the parties acts;
b) the function that each body will have;
c) its financing;
d) the actions agreed upon for its fulfilment;
e) the term of validity, which shall not prevent its extension if so agreed by the parties;
f} termination for reasons other than those provided for in the previous section, as well as the manner of determining the actions in progress in the event of termination.

Article 19.- Relationship between Municipalities.

Municipalities may form national or departmental associations among themselves to jointly pursue their objectives. Likewise, by law, they may be part of associations with municipalities of other countries, in accordance with Article 171 of the National Constitution.

TITLE II
MUNICIPAL GOVERNMENT

CHAPTER I
General Provisions

Article 20.- Municipal Government.

The municipal government is exercised by the Municipal Council and the Municipal Administration.

The Municipal Council is the regulatory, supervisory and deliberative body. The Municipal Administration is responsible for the general administration of the municipality.

Article 21.- Municipal organisation.

The organisation and functioning of municipal departments shall be regulated in accordance with the needs to be met and the financial capacity of the municipality.

CHAPTER II
The Municipal Council

Section 1
Election, Composition and Proclamation

Article 22.- Direct Election of Councillors.

Municipal Councils shall be elected directly by the people, in the manner and at the time determined by law.

Article 23.- Requirements to be Mayors or Councillors.

To be Mayor, one must be a Paraguayan citizen, over twenty-five years of age, a native of the municipality or have resided there for at least five years. To be a Councillor, one must be a Paraguayan citizen, over twenty-three years of age, a native of the municipality or have resided there for at least three years. Neither the Mayor nor the Councillor may be subject to the disqualifications provided for in the National Constitution and in the laws electorale

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Foreigners with permanent residence shall have the same rights as Paraguayan citizens.

Article 24.- Number of **Councillors.**

Municipal Councils shall be composed of:

a) in the Municipality of Asunción, of twenty-four full members;
b) in the municipalities of the departmental capitals and those included in Groups One and Two, of twelve full members; and,
c) in the municipalities included in Groups Three and Four, of nine full members.

In all cases, the same number of alternates shall be elected.

Article 25.- Disqualifications for being a Councillor.

Those who are subject to the disqualifications set forth in Article 197 of the National Constitution and in electoral laws may not be candidates for Council Members.

Those who are subject to the grounds for relative disqualification established in Article 198 of the National Constitution and in electoral laws may not be elected as councillors.

Article 26.- Incompatibilities.

Those who are subject to the grounds for incompatibility established in Article 196 of the National Constitution and in electoral laws may be elected but may not perform their duties as councillors.

Article 27.- Prohibitions.

Without prejudice to the provisions of other laws, councillors are prohibited from:

a) use the authority or influence they may have through their position, or that derived from the influence of third parties, to exert pressure on the conduct of their subordinates;
b) use municipal personnel, material, or confidential information for purposes unrelated to municipal affairs; and, in particular, engage in any partisan political activity within the municipality;
c) wear or carry insignia or uniforms of a proselytising nature within municipal facilities; municipal facilities;
d) receiving gifts, tips, commissions or taking advantage of their position to perform, refrain from performing, perform with greater care or delay any act inherent to their duties;
e) discriminate in the attention given to the matters under their responsibility, by applying or withholding diligence in the
themselves, regardless of who they come from or who they are intended for;
f) intervening directly, through an intermediary or by means of simulated acts, in the awarding of municipal contracts or concessions or any privilege by the same that results in a benefit for oneself or for third parties;

g) directly or indirectly obtain benefits arising from contracts, commissions, franchises or other acts in which they are involved in their capacity as a municipal authority;
h) carrying out or sponsoring administrative procedures or formalities for third parties before the municipality where they exercise their functions;
i) direct, manage, advise, sponsor, represent or provide services, whether remunerated or not, to individuals or legal entities that manage or operate concessions in the municipality where they perform their duties, or that are suppliers or contractors of the same;
j) enter into contracts with the Municipality related to industry or commerce, either personally as a partner or member of the management, administration or trusteeship of for-profit companies. It is also incompatible with any occupation that cannot be reconciled with the obligations or dignity of the position.

Article 28.- Allowances for Councillors.

Members of Municipal Councils shall receive a monthly allowance, which shall be provided for in each budgetary year and whose amount shall be established as follows:

Municipalities: Method of Settlement

Asunción: no more than eight minimum wages for various activities not specified in the Republic for each Councillor;

First and Second Groups: up to 12% (twelve per cent) of the amount of current revenue executed, according to the latest annual budget execution report;

Third Group: up to 14% (fourteen per cent) of the amount of current revenue executed, according to the latest annual budget execution report;

Fourth Group: up to 18% (eighteen per cent) of the amount of current revenue executed, according to the latest annual budget execution report.

In all groups of municipalities, except Asunción, the amount of the allowance that councillors may receive shall in no case exceed six times the minimum monthly wage for each councillor.

For the calculation of the percentages established in this article, current transfers received by municipalities shall not be included in current revenue.

Section 2
Installation and Operation

Article 29.- Holding of Office.

Municipal authorities elected in municipal elections, barring legal disputes, shall take office thirty days after the elections are held. Once a sufficient number of elected councillors have been appointed to form a quorum, they shall constitute the new Municipal Council; and the preliminary session to install the board of directors shall be chaired by the member at the top of the list of those elected, and on that occasion, they shall successively elect a President and Vice-President and set the date and time of their sessions. These elections shall be conducted by roll call vote, and after the respective count has been made, those elected shall be proclaimed.

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Article 30.- Composition of Advisory Committees.

Once the Municipal Council has been constituted, at its first ordinary session, it shall form permanent advisory committees for each municipal service and set the date and time of their meetings. Subsequently, each committee shall meet and elect its own executive committee from among its members.

The composition of the committees shall be such that the political parties are represented, as far as possible, in the same proportion as in the Council. All Councillors have the right and obligation to serve on one or more committees.

Article 31.- Advisory Committees.

In order to better carry out its duties, the Municipal Council shall organise the following permanent advisory committees:

a) Legislation;
b) Finance and Budget;
c) Public Infrastructure and Services;
d) Planning, Urban Development and Land Use;
e) Health, Hygiene, Sanitation and Environment;
f} Education, Culture, Sport, Tourism and Public Entertainment;
g) Public Transport and Traffic; and
h) Productive, Human and Social Development.

Article 32.- Modifications to Committees.

The Municipal Council may merge, modify or abolish permanent advisory committees, create new ones or appoint special committees to better fulfil its duties.

Article 33.- Composition of Committees.

Each committee shall be composed of at least three members, representing the political parties and movements that make up the Municipal Council.

Article 34.- Internal Regulations.

Each Municipal Council shall issue internal regulations governing its operation, within the limits established by law. The provisions of the regulations of the Chamber of Deputies shall apply on a supplementary basis.

The President shall vote as just another member of the legal quorum in Municipal Board votes. If the result of the vote is a tie, the discussion shall be reopened and a new vote shall be taken, and if the tie persists, the President shall decide.

The President may appoint, transfer or sanction his officials, in accordance with the Civil Service Law, subject to budgetary availability. The number of officials of
the Municipal Board shall be limited to what is strictly io pTo ensure the functioning of the necessary for the governing body.

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Article 35.- Recess.

The Municipal Council shall be in recess from 1 to 20 January. During the recess, a permanent commission shall operate, whose organisation and powers shall be determined in the internal regulations of each Council, with the regulations governing the Permanent Commission of Congress being applicable on a supplementary basis.

Section 3
Duties and Powers of the Municipal Council

Article 36.- The Municipal Council shall have the following powers:

a) to sanction ordinances, resolutions, regulations in matters of municipal jurisdiction;

b) authorise by resolution calls for public tenders and competitive bidding and approve the corresponding terms and conditions;

c) approve the awards and contracts signed with the successful bidders or concessionaires by virtue of calls for public tenders and competitive bidding;

d) approve the disposal of municipal private property;

e) authorise by resolution agreements for the municipality's participation in associations or other entities;

f} approve by resolution the agreements signed by the Municipal Government, whose validity depends on this approval;

g) annually approve the Municipality's Budget Ordinance and monitor its implementation;

h) annually approve the Tax Ordinance, establishing the amount of taxes, fees, special contributions and fines within the limits authorised by law. Likewise, provisions shall be established for the tax regime, including procedures for the collection of resources and control over their use;

i) authorise, by resolution, the contracting of loans;

j) accept, by resolution, legacies, donations or inheritances for the Municipality;

k) consider the accountability of the budget execution, presented by the Municipal Mayor;

l) authorise, by resolution, the contracting of auditing services for the municipal administration, if necessary;

m) appoint, prosecute, and sanction magistrates;

n) the Municipal Council, by means of a well-founded resolution, may request data, information and reports from the Municipal Government regarding any matter related to the functioning of the Municipality. In each specific case, the request made by the Council may set a deadline within which the request must be answered and, if no deadline is set, it shall be understood to be thirty days. The Municipal Government shall be obliged to respond within the respective time limit and may request a single extension;

ñ) all regulatory and supervisory powers within the framework of municipal functions, and other powers provided for by law;

o) appoint a Secretary, whose functions shall be regulated by the Board.

Section 4
On the Formation, Sanctioning and Promulgation of Ordinances and Resolutions,

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Article 37.- Ordinances and Resolutions.

The municipal legal norm of general application with binding force throughout the municipality, sanctioned by the Municipal Council and promulgated by the Municipal Government, shall be called an Ordinance.

Municipal legal norms of specific application shall be called Resolutions.

Article 38.- Initiative for Draft Ordinances.

The initiative for draft ordinances corresponds to the members of the Municipal Council, the Municipal Mayor, and citizens through popular initiative, in the manner established in this Law.

The Mayor has exclusive responsibility for initiating draft ordinances on the budget, the creation of municipal positions and departments, the contracting of loans, and other matters expressly established in the Law.

The Municipal Mayor has exclusive responsibility for estimating revenues, included in the Ordinance that approves or modifies the General Budget of the Municipality.

Article 39.- Popular Initiative.

Ordinance bills submitted through popular initiative shall contain the following:

a) articulated text of the draft Ordinance, preceded by an explanatory memorandum;

b) the signatures of at least 5% (five per cent) of voters in electoral districts with 1 to 20,000 voters; 4% (four per cent) in electoral districts with 20,001 to 50,000 voters; 3% (three per cent) in electoral districts with 50,001 to 100,000 voters; 2% (two per cent) in electoral districts with more than 100,000 voters. Signing voters must be registered in the permanent civic registry corresponding to the municipality and must be identified by their first name, last name, and identity document number; and,

c) appointment of the commission promoting the initiative, including their personal details and the commission's registered address. This commission shall act on behalf of the signatories for the purposes of processing the bill and shall be composed of at least three electors.

It is the responsibility of the competent electoral authority to verify whether the promoters have reached the percentage of voters required in this article.

Once the draft ordinance has been admitted by popular initiative, it shall follow the procedure established for the processing of a draft submitted by the Mayor or any Municipal Councillor. The corresponding study shall be initiated without delay.

Five working days prior to the date of the plenary session to discuss the initiative, the promoting committee shall be notified so that its members may attend the session, with the right to speak but not to vote. The representatives of the committee may request the floor, present the grounds for the initiative, and respond to any objections or comments that may have been raised, in accordance with the regulations of the respective committees.

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Article 40.- Consideration by **the Municipal Council.**

Draft ordinances and resolutions shall be submitted by the plenary session of the Municipal Council for "study and opinion by the advisory committees. Once the study has been completed, it shall be returned to the plenary session for consideration.

Article 41.- Promulgation.

The Municipal Mayor shall enact the Ordinance or Resolution within fifteen calendar days. If, within that period, the Municipal Mayor does not veto it, it shall be automatically enacted.

Article 42.- Handling of Vetoes.

The Municipal Mayor may veto the Ordinance or Resolution, expressing the grounds for his objections to the Board, with the exception of the following resolutions:

a) appointment of representatives thereof;
b) approval of internal regulations, provided that they do not affect the functions of the Mayor's Office;
c) appointment of Municipal Board authorities;
d) appointment of officials and advisers to the Municipal Council;
e) the decision to request the intervention of the Municipality; and,
f} any others established by law.

The Municipal Council may reject the veto in whole or in part by an absolute majority of two-thirds, and the regulation shall be automatically enacted.

In the event of a partial veto, if the objections are wholly or partially accepted, the Municipal Council may decide, again by an absolute majority, to approve the unobjected part of the regulation, in which case it shall be automatically enacted.

Except for Ordinances that have special deadlines in the Law, any veto submitted by the Municipal Mayor must be dealt with by the Municipal Council within a peremptory period of forty-five calendar days. If the Council fails to issue a ruling within this period, the total veto shall remain in force and the Ordinance or Resolution shall not be enacted; if the veto is partial, the Ordinance or Resolution shall be enacted with the modifications introduced.

Article 43.- Referral of Ordinances to Other Bodies.

Between the first and tenth of each month, the Municipal Mayor shall forward the ordinances enacted in the previous month to the Municipal Council, the Ministry of the Interior, and the respective Departmental Government for their information.

The Ministry of the Interior and each departmental government shall implement an orderly, up-to-date, and publicly accessible archive of Municipal Ordinances.

Article 44.- Publication of Ordinances.

Ordinances shall be binding from the day following their publication in at least one newspaper with wide local circulation.

In the absence of local circulation or financial resources for publication, the Ordinances shall become binding after their full text has been displayed for at least five days in public places within the municipality or disseminated through other suitable means, such as print, radio, television or electronic media, for the same period of time.

In such cases, the dates of dissemination or display shall be recorded in a document drawn up by the Secretary General of the Municipality.

Complete copies of all municipal ordinances, regulations, and resolutions shall be freely available to the public at the respective municipal offices.

The Municipal Mayor and the Secretary General of the Municipality shall ensure compliance with the provisions of this article, under penalty of incurring misconduct in their duties.

Article 45.- Deadline for **Considering Ordinances.**

Ordinance bills submitted to the Municipal Council by the Mayor, which are not subject to special procedures and deadlines, shall be approved within forty-five calendar days. Otherwise, they shall be deemed to have been approved, and the Mayor shall enact them as Ordinances.

Draft tax ordinances and ordinances on the municipality's general budget shall be given priority.

Article 46.- Quorum and Majorities.

Except in cases where the law requires a specific majority, decisions shall be made by a simple majority vote of the members present. In voting, the Chair shall vote as just another member of the Municipal Council. If the result of the vote is a tie, the discussion shall be reopened, and if the tie persists in the second vote, the Chair shall decide.

In accordance with Article 185 of the National Constitution, the legal quorum shall be half plus one of the total number of members of the Board. "Simple majority" shall be understood to mean half plus one of the members present; "two-thirds majority" shall be understood to mean two-thirds of the members present; "absolute majority" shall be understood to mean the legal quorum; and "two-thirds absolute majority" shall be understood to mean two-thirds of the total number of members.

Article 47.- Amendment of Ordinances.

To amend or repeal Ordinances, the same procedure established for their formation shall be followed.

CHAPTER III
Municipal Administration

Section 1
Assumption of Office and
Powers of the Municipal Mayor

Prohibitions

Article 48.- Disqualifications, Incompatibilities and **Prohibitions.**

The following are applicable to those established in Articles **los culos** mayors, disqualifications, incompatibilities 25, 26 and 27 of this Law. **y**

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Article 49.- Taking Office.

At the same preliminary session to install the new Municipal Council, the elected Municipal Mayor shall take office. If there are any issues, he shall do so before the Electoral Judge.

Article 50.- Remuneration of the Mayor.

The total annual remuneration of the Mayor, including items corresponding to salaries, shall be up to 10% (ten per cent) of current executed income, and shall not exceed under any circumstances the equivalent of ten minimum wages for various activities not specified in the Republic. For the calculation of this percentage, current transfers received by municipalities shall not be included in current revenues.

The Mayor of the Municipality of Asunción is exempt from this provision, whose monthly remuneration, including the item corresponding to salary, shall be equivalent to thirteen minimum wages for various activities not specified in the Republic.

Article 51.- Duties and Powers of the Mayor.

The powers of the Municipal Mayor are:

a) to act as the legal representative of the Municipality;
b) enact Ordinances and Resolutions, enforce and regulate them, or, where appropriate, veto them;
c) submit draft Ordinances to the Municipal Council;
d) establish and regulate the organisation of the departments under his or her responsibility, in accordance with the needs and financial possibilities of the Municipality, and direct, coordinate and supervise the functioning of the various administrative units;
e) administer municipal property and collect and invest municipal revenues in accordance with the budget;
f} prepare and submit to the Municipal Council for consideration the Draft Municipal Tax Ordinance, no later than 30 August of each year, and the Draft Municipal Budget Ordinance, no later than 30 September of each year;
g) execute the municipal budget;
h) submit a report on budget execution to the Municipal Council for its information every four months, within thirty days;
i) submit to the Municipal Council a report on the management and accountability of the budget execution for the previous financial year, within the first three months of each year;
j) make purchases, contract works and services, call for public tenders or bids, and make awards;
k) appoint and remove municipal staff, in accordance with the law;
l) provide data relating to the functioning of the Municipality when requested by the Board or other public institutions;
m) arrange for the inventory and proper maintenance of the municipal government's movable and immovable property.
n) participate in Municipal Council meetings with voice but no vote;
ñ) request the convening of extraordinary sessions (of the Municipal Council when urgent matters of public interest so require);

o) hear appeals for reconsideration or revocation filed against its own resolutions and appeals against the resolutions of the Municipal Misdemeanour Court;

p) apply the fines provided for in municipal legislation, in accordance with the procedures established by law;

q) grant powers to represent the Municipality in and out of court;

r) contract technical and advisory services as necessary;

s) grant or revoke licences; and

l) carry out other administrative activities provided for in current legislation, as well as those arising from municipal functions.

Article 52.- Mandatory attendance of **the Mayor.**

The Municipal Mayor shall attend the Municipal Council meeting at least every four months, and as often as the Municipal Council or the Municipal Mayor deems appropriate.

Article 53.- Absence, Resignation, Disqualification or Death of the Mayor.

In the event of the absence, resignation, disqualification, or death of the Municipal Mayor, the following procedure shall be followed:

a) Absences of up to twenty days shall be communicated to the Municipal Council, and the President of the Council shall be responsible for the dispatch.

b) if the absence is for more than twenty days, permission from the Municipal Council shall be required and the President of the Council shall be responsible for the office;

c) In the event of an unjustified absence of more than thirty days, resignation, disqualification, death, or permanent incapacity of a Municipal Mayor occurring during the first three years of the term, the Superior Court of Electoral Justice shall call new elections within ninety days of the event that caused the vacancy, until such time as the President of the Municipal Council assumes the Mayor's duties on an interim basis. If the event occurs during the last two years, the President of the Municipal Board shall convene a meeting of the Board, at which, by secret ballot of each of its members, a new Mayor shall be elected by an absolute majority vote to complete the term of office, within a peremptory period of thirty days following the event that caused the vacancy, until such time as the President of the Municipal Board assumes the Mayor's duties on an interim basis.

The Mayor's resignation shall be submitted to the corresponding Municipal Council for acceptance or rejection.

Section 2
The General Secretariat

Article 54.- General **Secretariat**.

The General Administration shall have a Secretariat whose function shall be to:

a) assisting it in its various activities;

b) endorsing, where appropriate, its legal acts, checking their legality;

c) organising and maintaining the municipal archives;

d) making the current Ordinances and other public sources of information available to the public ; and certifying municipal documents.

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Section 3
Municipal Police

Article 55.- Creation of the Municipal Police.

The Municipal Police Force is hereby created, whose organisation and operation shall be established by Ordinance, in accordance with the needs and financial resources of each municipality. It shall report directly to the Municipal Mayor.

Article 56.- Functions of the Municipal Police.

The Municipal Police shall have the following functions:

a) to monitor municipal buildings and facilities, especially premises where documents and valuables are stored, public services are provided, or sites with large crowds;
b) to guard municipal property;
c) requiring the presentation of municipal licences;
d) to execute or enforce the provisions of municipal ordinances, regulations and resolutions and the orders of the Mayor and the Municipal Misdemeanour Courts;
e) organising, directing and signalling the movement of people and vehicles on public roads and municipal property;
f) draft minutes, reports, or records of the events in which they intervene, submitting them to the relevant municipal authorities;
g) request the intervention of the National Police to prevent illegal acts and maintain public order and tranquillity;
h) prevent the occurrence of or provide assistance in cases of disasters such as fires, collapses, mass poisoning, environmental pollution and accidents in general, being able to form specialised units and agree on joint action plans with similar units;
i) organise training or specialisation schools for the effective performance of their duties; and
j) carry out all activities compatible with its functions.

Section 4
Community Neighbourhood Councils

Article 57.- Nature and **Creation.**

Neighbourhood Community Councils are auxiliary bodies of the Municipality based in companies, colonies and neighbourhoods. They are created by Resolution of the Municipal Council, with the agreement of the Municipal Board.

The election of their authorities must be supervised by the Municipal Government, in accordance with the regulations.

Article 58.- Creation and Limits.

The jurisdictional limits of a Neighbourhood Community Board shall be established in the resolution that creates it.

The creation of a Neighbourhood Community Board shall be conditioned by the degree of social, economic and c -unit development of the place and the real need for its operation.

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Article 59.- Composition.

Each Neighbourhood Community Board shall be composed of voters from the municipality who reside within the jurisdictional limits of said Neighbourhood Community Board. Its authorities shall not be affected by the disqualifications established for membership of Municipal Boards.

They shall have a president, a vice-president, a secretary, a treasurer and two members, in accordance with the composition of the Municipal Board on a proportional basis.

They shall meet weekly or at least twice a month, and minutes shall be taken of their meetings. Decisions shall be taken by simple majority vote.

Article 60.- Organisation.

Neighbourhood Community Councils shall have their own administrative organisation in accordance with the resolution issued by the Municipal Council.

Within their economic means and in accordance with their needs, and with prior authorisation from the Municipal Government, they may employ paid officials.

Article 61.- Functions.

The functions of the Community Neighbourhood Councils are:

a) to assist the Municipal Government in the collection of taxes, the execution of works of community interest, and the provision of basic services;
b) to gather information on the needs of the neighbourhood and convey them to the Municipal Government, along with proposed solutions;
c) to develop social, cultural and sporting activities;
d) collaborating with the Municipal Government in enforcing ordinances, resolutions, and other municipal provisions, disseminating their content among residents; and
e) cooperate with the Municipality in the fulfilment of municipal functions.

Article 62.- Assets.

The real estate, furniture, tools, and equipment acquired by the Neighbourhood Community Councils shall form part of the Municipality's assets. The Neighbourhood Community Councils may not dispose of or encumber these assets without the proper authorisation of the Municipal Government, with the agreement of the Municipal Council.

Article 63.- Intervention.

The Municipal Government may intervene in the Community Neighbourhood Councils, with the agreement of an absolute majority of the Municipal Council, for the following reasons:

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a) for serious irregularities in administration;
b) for failure to fulfil its functions; and,
c) by acefalla.

Article 64.- Meetings.

The Municipal Mayor shall meet every two months with the Neighbourhood Community Board, represented by at least its president and one of its members. The outcome of these meetings shall be made public in the minutes of said meetings and shall be reported to the Municipal Board.

Section 5
Neighbourhood Committees

Article 65.- Creation, Organisation and Functions.

The organisation, functions and other aspects relating to the legal regime of Neighbourhood Committees shall be determined by Ordinance. The recognition of the Neighbourhood Committees created shall be effected by resolution of the Municipal Council.

TITLE THREE

CITIZEN PARTICIPATION

Chapter I General Provisions

Article 66.- **Promotion** of **Citizen Participation.**

Municipalities shall promote the participation of municipal residents in municipal management and the development of citizens' associations for the purpose of carrying out activities of municipal interest, which shall be regulated by ordinance, in accordance with the provisions of the National Constitution and the laws governing this matter.

Article 67.- Freedom of Association.

Citizens may organise themselves in whatever manner they deem most appropriate for the advancement of their interests, in accordance with Article 42 of the National Constitution.

Chapter II
Access to Information

Article 68.- Obligation to Provide Information.

The Municipality shall be obliged to provide all public information that it has created or obtained, in accordance with Article 28 "The right to information" of the National Constitution, within the period specified by , which may not exceed fifteen days.

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Chapter III
Public Hearings

Article 69.- **Purpose** and **Nature of Public Hearings.**

Municipalities may convene public hearings to provide information to the public, gather the opinions of citizens, evaluate the quality of services, or discuss other matters of public interest.

Participants shall have the right to express their opinions, debate, make observations and suggestions during the hearing on the subject matter of the call.

Public hearings shall be consultative in nature. The opinions *and* proposals presented at them shall not be binding. The manner in which public hearings are conducted shall be regulated by Ordinance.

Chapter IV

Citizen Participation in Municipal Council Plenary Sessions

Article 70.- Public Nature of Municipal Council Sessions.

The plenary sessions of the Municipal Councils shall be public in nature.

Article 71.- Publication of Agendas.

The chairpersons of municipal councils must publish their agendas at least twenty-four hours before the plenary session, except in cases of urgent extraordinary sessions, which must be communicated twelve hours in advance.

The agenda shall be publicised on notice boards that must be placed in a location accessible to the public at the Municipal Council's premises. It must also be available at the municipal government's public service offices.

Article 72.- Participation of **Citizen Organisations in the Sessions of the Advisory Committees** of **the Municipal Councils.**

Citizen organisations may request space from the Municipal Council to make a verbal presentation to the Advisory Committees of the Municipal Council that is related to an item on the agenda or is of relevant interest to their organisation and the general population.

Participation in laCommittees Advisory Committees shall be governed by the regulations of the respective Municipal Council approved by the

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TITLE IV
ON MUNICIPAL OFFENCES

CHAPTER I
General Provisions

Article 73.- Offence or Contravention.

The term "offence or contravention" shall be understood to mean any action or omission, classified as such, that violates municipal and national legal regulations, the enforcement of which has been delegated to the Municipality.

Article 74.- Procedural Rights.

1) No one shall be punished more than once for the same offence;

2) concurrent offences shall be punished separately;

3) No other legal rules shall be applied by analogy, nor shall broad interpretations be made to convict the offender.

4) if the action or omission constituting the offence ceases to be such, the case shall be dismissed; and if the classification or amount of the penalties is modified before the conclusion of the proceedings, the rule most favourable to the defendant shall apply;

5) if the classification or amount of the penalties is modified before the conclusion of the proceedings, the rule most favourable to the defendant shall apply.

Article 75.- Option to Pay **Average** Fine**.**

In cases where the applicable penalty is a fine, judges may dismiss the case if the defendant, before the sentence is handed down, agrees to pay the average amount that would be applicable in the event of a conviction.

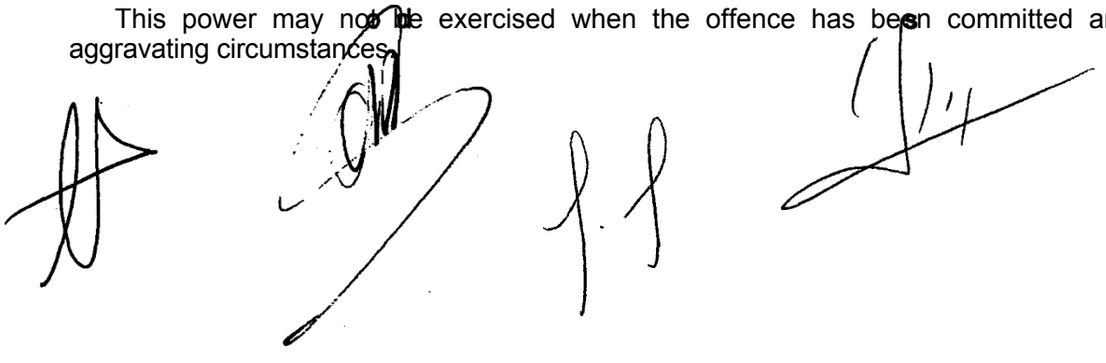
Article 76.- Liability.

Natural persons and legal entities are liable for offences committed by those acting on their behalf or in their service, with their authorisation or for their benefit, or in the performance of duties or tasks assigned to them, even on an occasional basis, without prejudice to the personal liability of those persons.

Article 77.- Powers of the Mayor in Minor Offences.

In the case of minor offences, the Mayor, at the request of the offender, may reduce the corresponding fine or allow it to be paid in instalments, subject to the rules set out in Chapter V, Section 2 of this Title.

This power may not be exercised when the offence has been committed and punished with aggravating circumstances.



Article 78.- Repair of Damage.

If the effects of an offence are reversible, the Mayor may order the offender to do so within a reasonable period of time. If the offender complies satisfactorily, the provisions of the previous article shall apply.

Once the cases have been resolved in accordance with the provisions of the previous article and this one, the case shall be closed.

CHAPTER II
Penalties

Article 79.- Types of Penalties.

The penalties applicable to offences shall be:

a) warning;
b) fine;
c) disqualification;
d) closure; and
e) confiscation.

Article 80.- Warning.

A warning is a sanction whereby the commission of an offence is noted, the offender is identified, and the offence is recorded in the municipal record.

Article 81.- Fine.

The penalty of a fine consists of the payment of a specified sum of money to the Municipality. The amounts of the fines, their scales and payment terms shall be set by Ordinance.

Article 82.- Disqualification.

Disqualification shall consist of the suspension of licences granted by the Municipality to drive, to exercise professional functions or commercial, industrial, artistic or general trade activities, sports or recreation, or to use premises, instruments, substances or supplies.

Disqualification shall be applied within the framework established by the respective Ordinance. It may be partial or total, for a fixed or indefinite period, if rehabilitation is subject to conditions.

Article 83.- Closure.

Closure shall consist of the closure of private premises for public use or public spaces for private or collective use.

Article 84.- Confiscation.

Confiscation shall proceed against property in possession, ownership, transit or trade that is restricted or prohibited.

Article 85.- Very serious, serious or minor offences.

For the purposes of grading penalties, offences shall be classified as very serious, serious or minor in the respective ordinance. In determining the penalty within each scale, mitigating or aggravating circumstances shall be taken into account.

The classification of offences, as well as the mitigating and aggravating circumstances in each case, shall be determined taking into account the degree of offensiveness or dangerousness of the acts, the damage caused to community interests, the benefit gained by the offender from the perpetration of the offence, and their personal circumstances and background.

Article 86.- Joint Application of Penalties.

Different penalties may be applied jointly to the same offence when the classification warrants it, with the exception of a warning.

Article 87.- Loss of Benefits.

Conviction for serious or very serious offences shall result in the loss of special benefits granted by the Municipality.

Article 88.- Penalty for Accomplices.

The accomplice shall be punished with half the fine imposed on the perpetrator. If the perpetrator is punished with disqualification, closure or confiscation, the ordinance shall set the fine applicable to the accomplice.

CHAPTER III

Concurrence and Recidivism

Article 89.- Cumulative Penalties.

Penalties shall be cumulative or added together in the event of concurrent offences committed by the same person or by several persons acting on behalf of a single person. In the case of disqualification, the penalty may be increased by up to 50% (fifty per cent) of the maximum established for the most serious offences.

Article 90.- A Single Offence.

Actions or omissions that are linked to each other in such a way that the main offence necessarily required the commission of the others shall be considered a single offence.

Article 91.- Recidivism - Aggravating Circumstance.

A repeat offence shall be committed by anyone who commits the same offence has been penalised again the same offence that *they have already* within the two years immediately preceding it.

Recidivism shall be an aggravating circumstance.

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CHAPTER IV

Extinction of Actions and Responsibilities

Article 92.- Extinction of **Penalties.**

Liability for offences shall be extinguished by the fulfilment of the penalty, by prescription and by other circumstances provided for by law.

Article 93.- Statute of Limitations and Interruption.

Actions to initiate proceedings for offences or contraventions shall be extinguished two years after they are committed. Obligations to comply with penalties shall expire within the same period, counting from the last request. Both statutes of limitations shall be interrupted by the commission of a new offence of the same nature.

CHAPTER V

Procedure in Matters of Municipal Offences Section 1

Jurisdiction, Competence and Organisation

Article 94.- Jurisdiction.

Jurisdiction over municipal offences shall be exercised by the Municipal Offences Courts, whose organisation and procedure are established by law.

Article 95.- Action.

All offences shall give rise to an action that shall be brought ex officio by the Municipal Mayor or by the head of the intervening agency before the Municipal Offences Court.

Article 96.- Appointment of Judge and **Clerk.**

Each Municipal Misdemeanour Court shall be presided over by a judge appointed by the Municipal Council, which shall also appoint the court clerk.

As of the effective date of this Law, the judge shall be appointed for a term of five years, at the end of which his or her performance shall be evaluated to confirm him or her permanently or to reopen the competition.

If resources permit, there shall be a notification office, bailiffs, and the necessary staff for other tasks.

If there is no notification office, the secretary may act as a notifier or commission a municipal official to deliver the notices, with the powers and responsibilities inherent to the function.

Section 2

Preliminary Administrative Procedure

Article 97.- Content and Forwarding of the Minutes.

The municipal official who, [illegible] stat one or more acts that may constitute offences shall draw up a report on the spot, which shall contain the following information [illegible] following information:

1) Place, date and time of the offence or its discovery;
2) name and address of the accused, if they can be determined, as well as witnesses, if any;
3) nature and circumstances of the event and description of the means used to commit it;
4) the legal provision allegedly infringed;
5) the signature of the official involved, clearly stating their name and position; and
6) the signature of the accused or, failing that, the signatures and identification of any witnesses, if any.

The head of the intervening agency shall forward the intervention report together with the indictment and, where applicable, the technical reports and other evidence collected, which constitute the indictment file that must be forwarded to the Mayor in the cases provided for in Article 82 or to the Misdemeanour Court in all other cases.

Article 98.- Validity of the report.

The minutes of the intervention, drawn up regularly and not validly refuted during the proceedings, shall be considered by the judge as sufficient proof of guilt.

The intervention report shall serve as testimony for the intervening official and for the witnesses who signed it by means of the respective ratification.

Section 3
Emergency Measures

Article 99.- Emergency Measures of the Intendance.

The Municipal Government may, in a well-founded resolution, order administrative emergency measures aimed at enforcing legal regulations or municipal resolutions, in order to prevent or reverse circumstances that are likely to cause danger to life or imminent damage to the environment, health, safety or public property, to render court rulings ineffective or to destroy evidence of offences or contraventions.

Article 100.- Content of the Resolution.

The recitals of the resolution ordering emergency measures shall contain the main details of the perpetrator, if known; a brief account of the circumstances of the act or alleged offence and the risks or damage involved; the rule or resolution being enforced or allegedly violated, as well as the one on which the measure is based.

The operative part shall determine the appropriate emergency measures and the period for which they shall apply.

Once these measures have been arranged and implemented, the relevant documentation must be sent to the Municipal Misdemeanour Court and, where applicable, to the ordinary court that authorised them, within a strict deadline of forty-eight hours.

Article 101.- Possible Emergency Measures.

The emergency measures that may be ordered are:

1) evictions or repossessions of seizure of municipal public property;
2) disqualifications from sales;

3) suspension of activities or works;
4) withdrawal from circulation, immobilisation, demolition, removal and disabling or destruction of property;
5) suspension of authorisations or retention of licences;
6) closure of roads or public spaces; and
7) reconstruction or restoration of things or situations to their usual or normal state.

These emergency measures may be regulated by Ordinance.

Article 102.- Police measures.

If events that could reasonably be considered offences are observed in public places or private premises for public use, municipal officials may act immediately, arranging for the illegal situation to be corrected through police measures and by any lawful means at their disposal, without prejudice to subsequent compliance with the procedures indicated in Chapter V, Section 2 of this Title.

Article 103.- Entry into Private Premises.

If, in order to comply with the emergency measure, it is necessary to enter private premises that are not for public use and the exceptional circumstances provided for in the legislation do not exist, the Mayor shall request the measure from the Duty Judge of First Instance of the ordinary jurisdiction or, where there is no such judge, from the Justice of the Peace, attaching his reasoned decision. Non-working days and hours are authorised for this purpose.

Judicial authorisation may be granted for the emergency measure to be executed on non-working days or hours.

For the purposes of emergency measures, vacant lots, unoccupied buildings, and public gathering places shall not be considered private premises.

Article 104.- Eviction and **Disqualification Procedure.**

If the emergency measure consists of the eviction or disabling of private premises, the site shall be sealed and a notice shall be posted indicating the authority that issued the resolution, the date thereof, the period of application *and,* where applicable, the court involved.

Measures involving the removal from circulation, retention, immobilisation, disabling or destruction of property shall be recorded in writing *and* a copy shall be given to the owner or person responsible. The return or restoration shall be carried out after the conditions indicated by the regulations or by the judicial or administrative resolutions have been satisfied.

When roads or public spaces are closed, this shall be clearly signposted.

Article 105.- Liability for Damages.

In all cases, the Municipality shall be liable for any damages caused by the measures taken.

emergency powers that it o haany precautionary measures requested may cause, if there are no grounds deems sufficient to justify, las.

Article 106.- Costs of Emergency Measures.

The costs incurred in the implementation of emergency measures caused by violations shall be borne by the offender, who shall pay them to the Municipality within a peremptory period of ten days from the notification of the corresponding resolution, which shall constitute an enforceable title. Once the deadline has expired, the Municipality may resort to judicial enforcement, under the conditions indicated in Chapter V, Section 6 of this Title.

Section 4
Procedure in the Municipal Misdemeanour Court

Article 107.- Background and Ruling.

Upon receipt of the background information submitted by the Mayor, the Judge shall, by means of a ruling, determine the relevance of the action; if so, he shall order the case to be heard; if not, he shall order it to be dismissed.

The judge shall decide at the same time whether to confirm, modify or lift any emergency measures that may have been taken, or may order such measures to be taken.

Article 108.- Cases of Dismissal.

The judge shall dismiss the action in the following cases:

1) if the intervention report does not meet the requirements set forth in Section 2 of Chapter V or if the file of background information submitted contains substantial defects that cannot be remedied;
2) if the facts established do not constitute offences or have ceased to constitute offences; and,
3) if the accused is exempt from liability.

Article 109.- Admission Resolution.

The decision to admit the case shall also provide for:

1) notification of the same to the accused;
2) that they be summoned to appear within five calendar days, either in person or through a representative, in order to present their defence; and
3) to offer any exculpatory evidence they may have at the same time.

Article 110.- Notification- Content.

The decision admitting the case and the decision containing the ruling shall be notified in writing. All other notifications shall be made at the court on the days set by the court.

The certificate enocertification of any Resolution shall be drawn up in two copies and shall contain:

1) letterhead of the Municipal Court of Misdemeanours;
2) place and date of issue of the certificate;
3) name and address of the person to whom it is addressed;
4) identification of the Court and the case;
5) number, date and transcription of the operative part of the ruling;
6) address of the Court, days and hours of public service; and
7) name, position and signature of the officiating official.

Article 111.- Form of Notification.

The official shall deliver a copy to the addressee, their representative, family members or dependents, doorman or neighbour; failing that, they shall place it in the letterbox or inside the entrance hall or affix it to the front door.

In the second copy, he shall draw up a record of the proceedings, which shall be signed by him and by the person receiving the certificate.

Article 112.- Evidence.

Evidence that is not produced at the same time as the defendant's appearance shall not be considered, except in exceptional cases admitted by the judge.

The court may order expert evidence, examinations, reports or measures to better provide for the case, if it deems them indispensable for issuing a ruling.

In such cases, a trial period shall be opened for a peremptory term not exceeding ten working days.

Article 113.- Content of the Judgment.

Once the hearing has been held and, where applicable, the evidence has been produced or the deadline for its production has passed, the Court shall issue a ruling within twenty days, which shall include:

a) the place and date of the judgment;
b) the identification of the case;
c) a brief summary of the charges; where applicable, any concurrent offences; the defence and the merits of the evidence presented; mention of any evidence rejected; any repeat offences and aggravating or mitigating circumstances, if any;
d) a mention of the municipal provisions violated and those on which the ruling is based;
e) a ruling acquitting or convicting, in whole or in part, the accused or, in the case of several accused, each one individually, with express mention of the classification of the offence and the penalties imposed;
where applicable, the time limits granted for the enforcement of the sentence or for the lifting of emergency measures, as well as the ruling on costs;
g) the provision to notify the parties *and* to archive copies of the decision; *and,*
h) the signatures of the judge and the clerk.

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Article 114.- Unappealed Judgment.

A judgment not appealed within the time limit shall be final and enforceable.

Article 115.- Definitive and **Provisional Dismissal.**

The case shall be definitively dismissed if:

1) the offence was not proven;
2) with the knowledge and intervention of the Court, the accused pays the fine or satisfactorily *and* within the time limit remedies the act or omission for which he or she is charged with an offence; and
3) the statute of limitations has expired.

The case shall be provisionally dismissed if it is not possible to identify the accused or their accomplices.

Section S
Appeals

Article 116.- Appeal.

Appeals and motions for annulment may be lodged with the Mayor against the rulings of the Municipal Misdemeanour Court. These must be submitted in writing, stating the grounds for appeal, and presented to the Court within a strict deadline of five working days.

The appeal shall be granted with suspensive effect.

Once the appeal has been granted, the case files shall be forwarded without delay to the Municipal Mayor.

Article 117.- Deadline for Resolving Appeals.

Once the proceedings have been received or the appeal has been granted, the Mayor shall issue a ruling within ten days, confirming, modifying, revoking or annulling the appealed judgment or part thereof; if he fails to do so within this period, the appealed decision shall be deemed to have been automatically confirmed.

If there are multiple appellants, all appeals shall be heard simultaneously.

Article 118.- Procedural **Irregularities**.

If procedural irregularities are found that could have altered the outcome of the trial, the Mayor shall return the case files to the court of origin so that the proceedings may be returned to the relevant stage and the defect remedied.

Article 119.- Appeal for review.

An appeal may be lodged with the Mayor in the following cases:

1) due to the denial of an appeal; it must be filed within twenty-four hours of notification of the corresponding decision; and,
2) For unjustified delay in forwarding the proceedings to the Mayor, it shall be investigated after the forwarding has been requested and two days have elapsed, within twenty-four hours following the expiry of the latter period.

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Article 120.- Deadline for Resolving Complaints.

The Mayor shall order the Court to forward the case files and, after examining them, shall admit or reject the complaint. If rejected, the case files shall be returned to their origin.

If ten days elapse without the Mayor issuing a decision, the appeal shall be deemed to have been granted.

Article 121.- Contentious-administrative proceedings.

The automatically confirmed ruling and, where applicable, the Mayor's Resolution may be appealed before the contentious-administrative jurisdiction within a peremptory period of eighteen days.

Section 6
Enforcement of Judgments and Resolutions

Article 122.- Compulsory Enforcement of Judgments.

The proceedings of the Municipal Misdemeanour Court, its judgments and the Mayor's decisions shall constitute public instruments and may be enforced through administrative channels.

Article 123.- Exceptions.

Judgments and resolutions that impose financial penalties and determine legal accessories shall constitute enforceable titles against which only exceptions of lack of jurisdiction, lack of legal standing, falsification or invalidity of the title, prescription, documented full payment, and res judicata may be raised.

Article 124.- Costs for Failure to Comply with a Judgment.

If the judgment or resolution orders an action to be taken or not taken, and, through omission or refusal, the convicted person allows *the* deadline to pass without complying, and for that reason must be subrogated in their obligation to act or rectified in their obligation to refrain from acting, the costs incurred shall be borne by them, and for their compensation, the Municipality shall employ the procedure set forth in Chapter III of this Title.

Article 125.- Enforcement of Judgments.

If it is necessary to resort to the ordinary courts for the enforcement of the sentence, the corresponding action shall be brought by the Municipal Mayor before the Judge of First Instance in Civil Matters on duty, by way of enforcement of the sentence.

At no stage of the proceedings shall the Municipality be required to provide security, and only the exceptions established in this Law shall be admissible.

Article 126.- Assistance from the National Police.

The National Police shall immediately provide the assistance requested by the Municipal Misdemeanour Court or by the Mayor for the enforcement of laws, ordinances, resolutions, emergency measures, or municipal rulings, accompanied by a certified copy of the resolution ordering such assistance.

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"Section 7
Requirements, Powers and Responsibilities of Judges

Article 127.- Judges - Requirements - Oath.

To be a Municipal Magistrate, the same requirements must be met as for the position of Magistrate of First Instance.

Before taking office, the persons appointed must take an oath of office before the Municipal Council.

If it is not possible to find a candidate for Judge who meets the requirements of this Law, the Municipal Council may decide to appoint candidates who meet the requirements for Justices of the Peace.

Municipalities may, by means of an agreement entered into for this purpose, share the same Misdemeanour Court with each other, in order to make better use of available resources.

The agreement shall specify at least the following:

a) the municipality responsible for the appointment, prosecution and sanctioning of judges;

b) the municipality responsible for paying salaries;

c) the contribution of each municipality.

Article 128.- Replacement of Judges.

In the absence of the judge, due to absence, impediments, recusal or challenge, he shall be replaced by another judge of equal rank; if there is no such judge, the Municipal Council shall appoint an ad hoc judge who meets the same requirements and fulfils the same conditions established for regular judges.

Article 129.- Prosecution of Judges.

The Municipal Council, by simple majority vote, may decide to prosecute municipal magistrates for poor performance of their duties or breaches of decorum, for which purpose it shall set up an ad hoc committee, elected by lot, which shall issue a reasoned decision within ten working days, after hearing the accused.

The ruling of the prosecuting commission may be appealed in the final instance before the plenary session of the Municipal Council within five working days.

Article 130.- Penalties Applicable to Judges.

The sanctions applicable by the Board to judges, depending on the severity, shall be: a warning, a fine equivalent to between one and ninety minimum wages, dismissal, and a five-year ban on holding non-elective municipal office.

Article 131.- Sanctions.

Municipal magistrates may impose penalties on court officials, defendants or their representatives, bailiffs and other assistants for disorderly, disrespectful or obstructive conduct in court or during the course of proceedings.

These penalties may consist, depending on the severity, of a warning or fines equivalent to between one and ninety minimum wages. Penalties may be appealed in the final instance to the Mayor within five days.

Article 132.- Deadlines in Working Days.

The deadlines indicated in this Title shall be counted in working days, except in cases where it establishes another modality.

TITLE FIVE
MUNICIPAL PROPERTY

CHAPTER 1
Classification

Article 133.- Municipal Property.

Municipal property consists of:

a) public domain property; and
b) property in the private domain.

CHAPTER II
Public Domain Assets Article 134.-Public

Domain Assets.

Public domain property is that which, in each municipality, is intended for the use and enjoyment of all its inhabitants, such as:

a) streets, avenues, roads, bridges, passages and other communication routes that do not belong to another administration;
b) squares, parks, buildings intended for public use and other spaces intended for public recreation;
c) sidewalks and accesses to the communication routes or public spaces referred to in paragraphs a) and b);
d) rivers, lakes and streams within the urban areas of the Municipality that are used for public purposes, and their beds;
e) those that the State transfers to municipal public domain;
f} the fractions allocated for squares, public buildings public streets and avenues resulting from subdivisions; and
g) municipal private property declared public property by municipal ordinance, which must be registered with the General Directorate of Public Registries.

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In the exceptional case that any of these assets are subject to use by certain persons or entities, they shall pay the fee established. However, spaces designated as squares, parks, streets, and avenues may not be granted for private use.

Article 135.- Inalienable, Unseizable and **Imprescriptible Assets.**

Public domain assets are inalienable, unseizable, and imprescriptible. By their nature, they shall not have a monetary value and consequently shall not appear in municipal accounting records, although they must be documented and registered with the municipality.

Article 136.- Transfer of **Public Domain to Private Domain by Law.**

The law may establish that a municipal public domain asset may become a private domain asset when required by the general interest, with the exception of properties intended for squares, parks and green spaces in general.

CHAPTER III
Private Domain Assets

Article 137.- Private Domain Assets.

The following are private property:

a) municipal property that is not public property;
b) real estate located in urban areas that has no owner according to the respective ordinance;
c) municipal property intended for rental income;
d) financial investments; and
e) all other assets that form part of the municipal accounting assets.

Private property shall be valued monetarily and shall form part of the municipal accounting assets, and must be duly inventoried by the Municipality, with the corresponding documents. For this purpose, a judicial survey shall be carried out in accordance with the Civil Code.

Provided that it is for use by public health and/or education institutions, municipalities may request the National Congress to grant the corresponding authorisation to transfer their municipal private domain assets free of charge.

Article 138.- Public Auction of Assets and **Exceptions.**

Municipalities may dispose of their private property through public auction or, exceptionally, directly, following an expert appraisal that shall not be less than the tax value, except in cases of exchange, surplus, and contract fulfilment by tenants.

In all cases, the approval of the Municipal Council shall be required.

Article 139.- Lease Conditions.

The conditions for leasing municipal land shall be established by ordinance, which shall include the corresponding requirements, among them a term of no less than one year and revocability in the event of non-compliance with said conditions.

Article 140.- Direct Sale to Tenants.

When tenants of municipal land have duly complied with their contracts, the Municipality, at their request, may proceed with the direct sale of the properties without the need for auction, subject to expert appraisal.

Article 141.- Exchange of Municipal Interest.

Municipalities may also exchange land under their private ownership when the transaction is in the municipal interest.

Article 142.- Direct Sale of Surplus Land:

Surplus municipal land whose frontage and surface area do not meet the minimum dimensions required by law to constitute a lot may be sold directly to the owners of adjacent properties, subject to expert appraisal.

TITLE SIX
MUNICIPAL REVENUES

CHAPTER I
General

Article 143.- Financing.

The operation of municipalities and the services they must provide in order to fulfil their duties and objectives shall be financed with the revenues provided for by law.

Article 144.- Types of Revenue.

Municipalities shall have current revenues, capital revenues, and financing resources and donations, as well as a share in taxes and royalties from other levels of the State Administration.

Article 145.- Current Revenue.

Current revenue is classified as follows:

a) tax revenue;
b) non-tax revenue;
c) transfers and donations expressly intended to cover current expenditures; and
d) other current revenue not provided for in the preceding paragraphs.

Article 146.- Tax Revenue.

Tax revenues are those derived from taxes, fees, and special contributions created by law.

Article 147.- Non-Tax Revenue.

These are non-tax revenues generated by other sources, which are basically the following:

a) fines;

b) the provision of services;

c) income from fixed assets;

d) income from financial assets;

e) concessions; *and*

f} other income allocated to current expenditure that corresponds to the nature of non-tax revenue.

Article 148.- Current Transfers.

Current transfers are revenues from the National Treasury and public sector agencies and entities, in the form of non-reimbursable contributions without consideration, intended to cover current expenditures.

Article 149.- Capital Income.

Capital income includes:

a) sale of assets;

b) disposal of real estate or other capital assets;

c) transfers and donations intended for capital expenditures; and

d) other capital income not classified in the preceding paragraphs.

Article 150.- Financing Resources.

Financing resources are:

a) domestic debt;

b) external debt;

c) loan recovery; and

d) other financing resources not classified in the preceding paragraphs, such as fiduciary businesses.

CHAPTER II
Tax Revenue

Section 1
Taxes

Article 151.- Exclusive and Shared Taxes.

Municipal taxes are an exclusive source of municipal revenue and are shared with the State.

Municipalities are authorised to regulate by ordinance a discount of up to 12% (twelve per cent) for the timely payment of "posts and fees, as well as regulating the period

a onto or final and the period during which fines will be imposed

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Article 152.- Municipal Taxes.

The following are municipal taxes:

a) property tax, at the rates established in the National Constitution;
b) tax on vacant land and large properties;
c) commercial, industrial and professional licences;
d) vehicle licences;
e) construction tax;
f) the division of real estate property;
g) the transfer of ownership of real estate;
h) building;
i) registration of livestock brands;
j) the transfer and slaughter of livestock;
k) public passenger transport;
l) public entertainment and games of chance;
m) raffles and lotteries;
n) credit transactions; ñ)
advertising and publicity;
a) municipal seals and stamps;
p) cemeteries;
q) animal owners; and,
r) others created by law.

Article 153.- Property Tax.

Municipalities and departments shall be responsible for all taxes levied directly on real estate. Their collection shall be the responsibility of the municipalities. Seventy per cent (70%) of the amount collected by each municipality shall remain the property of that municipality, fifteen per cent (15%) shall remain the property of the respective department, and the remaining fifteen per cent (15%) shall be distributed among the municipalities with the least resources, in accordance with Article 169 of the National Constitution.

The Municipality of Asunción, which is the seat of the capital city of the Republic and is independent of any department, shall be entitled to 85% (eighty-five per cent) of all revenue collected from this tax.

Article 154.- Taxable Base **for Property Tax.**

The tax base is constituted by the fiscal valuation of each property, which shall be determined by the Municipality **so**based on the general regulations issued annually by the National Municipal Service and Land Registry

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In the case of urban properties, the general regulations issued by the National Cadastre Service shall determine the tax values per square metre of land and buildings, for services and other improvements. These established tax values shall be directly related to:

a) the location of the properties within the municipality;

b) the age, type, class and characteristics of the buildings and their state of repair; and

c) the type of paving.

In the case of rural properties, the general regulations issued by the National Cadastre Service shall determine the tax values per hectare of land area. These established tax values shall be directly related to the location of the properties within the municipality and the characteristics of the area.

The tax valuation of each property shall be approved by resolution of the Municipal Council.

Article 155.- Special Revaluations.

Current valuations shall be modified by the municipalities, either ex officio or at the request of a party, whenever cadastral modifications occur due to dismemberment, division or reunification of plots, accession, alluvion, avulsion, demolition, construction, extension of works and reconstruction of buildings or other improvements. Modifications to valuations in accordance with this article shall take effect from the year following that in which the property has been transformed or modified; however, if the revaluation is delayed, taxes unduly collected on the previous basis may be refunded. The refund may not cover a period of more than five years.

Special revaluations shall be approved by resolution of the Intendencia.

Article 156.- Review of Tax Valuations.

Taxpayers may request the National Cadastre Service to review the tax valuation of the property and the special revaluations determined by the Municipality, in order to verify whether such municipal acts comply with the applicable technical standards.

The National Cadastre Service shall forward the request to the Municipality, so that it may respond to the taxpayer's request for review within ten working days.

If the tax assessment of the property or the special revaluation does not comply with the applicable technical standards, the National Cadastre Service shall issue a resolution modifying the assessment or revaluation with retroactive effect to the date of the municipal resolution that approved the tax assessment or special revaluation.

The National Cadastre Service shall issue a resolution on the taxpayer's request for review within ninety calendar days.

Article 157.- Tax Reduction in the Event of Calamities.

When natural disasters occur that affect properties, property tax may be reduced by up to 50% (fifty per cent). The Municipal Mayor, with the approval of the Municipal Council, is authorised to establish this reduction provided that the aforementioned damages are verified. The aforementioned reduction must be set for each fiscal year.

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Section 2
Fees

Article 158.- Types of Fees.

The fees shall be as follows:

a) sweeping and cleaning;
b) collection, treatment and final disposal of waste;
c) maintenance of parks, gardens and public walkways;
d) verification and inspection of weights and measures;
e) house number plates; f} health
services;
g) Cemetery services;
h) planking;
i) disinfection and control of insects, rodents and other disease-carrying agents;
j) inspection of facilities;
k) vehicle identification and inspection services;
l) lighting, water supply, sanitary sewerage *and* storm drainage services, provided that they are not provided by other agencies;
m) fire prevention and protection services, protection against collapse and other serious accidents; and
n) any others established by law.

Article 159.- Maintenance Fee for Parks, Gardens, and Public Walkways.

All property owners shall pay the Municipality, upon effective provision of the service, a fee for the maintenance of parks, gardens and public walkways, in accordance with the scale established by Ordinance.

Article 160.- Fee for the Prevention and Protection Service against Fire, Landslides and other Serious Accidents.

All owners of commercial, industrial and service establishments, offices open to the general public, garages, warehouses, premises involving the permanence and movement of people, as well as public meeting places, are required to apply for the relevant permits for the construction, extension, renovation and/or demolition of buildings, and shall pay. the Municipality, in each case, prior to the effective provision of the service, a fee for the inspection services of safety measures for the prevention and protection against risks of fire, collapse and other serious accidents, in accordance with the scale established by Ordinance.

Article 161.- Environmental Fee.

In cases where municipalities enter into agreements with the competent authorities and assume the function of enforcing environmental regulations, they may charge an environmental fee, which shall be related to the service actually provided and may not exceed the cost thereof. The beneficiaries of the service shall be obliged to pay the environmental fee established by ordinance.

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Article 162.- Regulation of the Amount of Fees.

The Municipality shall determine by Ordinance the regulation of the amount of the fees created by ley. The amounts established may not exceed the cost of the services provided, in services effectively accordance with Article 168 of the National Constitution.

Section 3
Special Contributions

Article 163.- Contribution for Public Works.

When the completion of a municipal public works project benefits property owners and contributes to increasing the value of said properties, it shall give rise to a special contribution, excluding works paid for on a pro rata basis by the owners.

Article 164.- Contribution Criteria.

If the benefit is direct, as in the case of adjacent owners, the contribution payable by the beneficiaries shall be a one-off payment equivalent to 20% (twenty per cent) of the increase in value acquired by the properties for this reason.

In all other cases, the benefit shall be considered indirect and the contribution of the beneficiaries shall not exceed 10% (ten per cent) of the increase in value acquired by the properties.

To establish the tax base for the contribution, the tax value of the properties before the work began and the tax value set once the work was completed shall be taken into account. The payment of this contribution may be divided into monthly instalments.

Article 165.- Transfer of Private Works.

Streets, roads, and bridges opened and constructed on private property by their respective owners for the purpose of increasing their value and selling them shall be transferred free of charge to the Municipality and immediately registered in the Public Registry. The aforementioned works shall be carried out with prior municipal permission and in accordance with the ordinances.

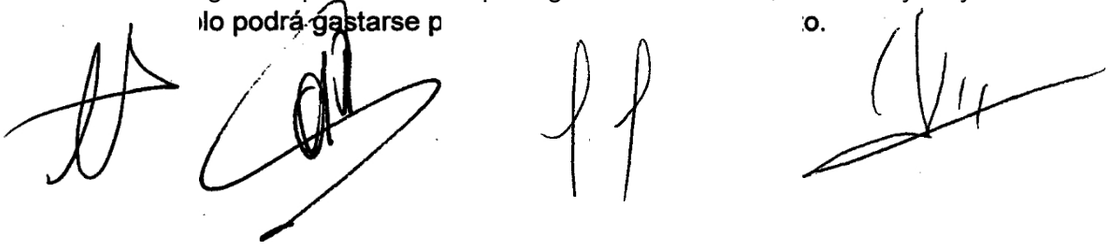
Section 4
Paving

Article 166.- **Special Fund for Paving, Storm** Drainage**, Sewer** Drainage **(in agreement with** ESSAP) and Complementary Works and **Special** Account**.**

A special fund for paving and complementary works is hereby created, consisting of:

a) a special contribution from all property owners, the amount of which shall be equivalent to an additional 10% (ten per cent) of the amount of the Property Tax;
b) the special contribution from vehicle owners, the amount of which shall be equivalent to an additional 10% (ten per cent) of the vehicle licence fee;
c) other resources such as: municipalities' own funds, transfers received in the form of royalties and compensation from Itaipú and Yacyretá, and loans to be defined in the municipal budget at the percentage established by Ordinance.

For its implementation, all municipalities shall open a special bank account to which all revenues constituting said special fund for paving shall be credited, which may only be used for that purpose. '



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Article 174.- Tax Exemption for Properties with Buildings Listed **as Historical Heritage.**

Properties with buildings listed and declared by the competent authority as national or municipal historical heritage shall be exempt from municipal taxes.

CHAPTER III
On Ips **Loans**

Article 175.- Access to Credit.

Municipalities may access public and private, national and international credit in accordance with the provisions of this Law.

CHAPTER IV
Fines

Article 176.- Fines.

Failure to comply with the provisions of the Law, Municipal Ordinances and Resolutions shall give rise to the imposition of the fines provided for therein.

CHAPTER V
Collection of Debts Through Legal Proceedings

Article 177.- Debts Enforceable Through Judgment Enforcement.

Debts for municipal taxes, fees, and contributions that have not been paid within the time limits established by law and ordinance, and once declared in default, shall be enforceable by judicial means through the enforcement of a judgment, after notification to the debtor.

The settlement, written proof of prior notification to the debtor, and the certificate signed by the Mayor and the municipal secretary shall be sufficient grounds for enforcement.

TITLE SEVEN
ON THE MUNICIPAL FINANCIAL ADMINISTRATION SYSTEM

CHAPTER I
General **Application Regulations**

Article 178.- Legal System.

Municipalities shall be governed by the provisions established in Law No. 1.535/99 °ON STATE FINANCIAL ADMINISTRATION" and its applicable decrees and regulatory resolutions, as well as the annual budget laws.

Article 179.- Personal Benefits shall be

Municipalities may not spend more than 60% (sixty per cent) of their income before deductions, according to the latest annual report on budget resolution.

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Article 167.- Five-Year and Annual Paving Plan.

The Municipality shall draw up a five-year paving plan based on a technical survey, the general interest and the financial estimates of the special paving fund. This plan shall be updated annually and its implementation shall be incorporated into the Budget Ordinance.

Article 168.- Duration and Types of Pavement.

The duration and types of pavement shall be defined by national technical standards through the National Institute of Technology and Standardisation, which shall be responsible for preparing general technical specifications. Pavements existing at the time of entry into force of this Law shall have the useful life established in the applicable standards of the previous Municipal Organic Law.

Article 169.- Maintenance of Pavements and Other **Non-Paved Vehicular** Traffic Routes

.

The maintenance of pavements and unpaved vehicular traffic routes due to damage caused by natural weather conditions and vehicle traffic shall be carried out by the Municipality, and the cost thereof shall be covered by the special contribution established by Ordinance for this purpose, payable by the owners of real estate and freight vehicles according to their tonnage.

Article 170.- Repair of Pavements.

The repair of the pavement shall be paid for directly by the party responsible for the damage.

Article 171.- Definitions by Ordinance.

The following shall be defined by Ordinance:

a) the form of payment of the special contribution; and
b) other resources, namely: tax percentages, credit resources to finance paving, or transfers received in the form of royalties and compensation from Itaipú and Yacyretá.

Section 5 Provisions of
General Application

Article 172.- Applicability of the National Tax Regime.

The legal provisions of general application of the national tax regime shall be applicable in all matters that do not contradict the provisions of this Law.

By ordinance, surcharges and interest may be established in the event of late payment of taxes and other resources, in accordance with the criteria established in the national tax regime.

Article 173.- Prescription for Tax Collection.

The action for the collection of municipal taxes shall expire after five years, counted from 1 January de

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The remuneration of municipal personnel shall be established in the Budget Ordinance, in accordance with the economic possibilities of the Municipality.

Article 10.- Validity of the Municipality's General Budget.

The financial year or fiscal year shall begin on 1 January and end on 31 December of each year.

Article 181.- Draft Budget Ordinance.

The Municipal Mayor shall submit the draft Budget Ordinance to the Municipal Council for consideration no later than 30 September of each year. If that date falls on a non-working day, it may be submitted on the following working day.

If, for any reason, the draft Budget Ordinance is not submitted on time, the one for the current fiscal year shall remain in force.

Article 182.- Review Period - **Automatic Penalty** - Rejection.

The Municipal Council shall give priority to the review of the draft Budget Ordinance.

In reviewing the draft, the Municipal Council may not reallocate resources earmarked for investments for the purpose of increasing current expenditures.

The Municipal Council may not re-estimate revenues except for modifications that respond to a legal omission.

The Municipal Council shall approve the draft no later than 20 November of each year.
Failure to do so within this period shall be understood as approval.

The Municipal Council may reject the project entirely, but only by an absolute majority of two-thirds. In this case, the budget for the current fiscal year shall remain in force.

Article 183.- Deadline for **referral by the Municipal Council.**

Once the Ordinance approving the budget has been passed, the Board shall submit it to the Mayor within three calendar days for promulgation no later than 30 November.

Article 184.- Veto of the Budget Ordinance.

The Municipal Government, within the period established in the previous article, may object to the approved budget, expressing its reasons to the Municipal Council.

The veto must be addressed within ten calendar days of its submission to the Municipal Council.

If the Council ratifies its decision with an absolute majority vote of two-thirds, the Municipal Mayor shall promulgate the respective Ordinance.

If the Board does not obtain the required majority or does not deal with the veto within the established period, the Ordinance shall be automatically enacted with the modifications introduced in the veto.

Modificaciones introducidas

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Article 185.- Execution of the Budget.

The Municipal Government, through the corresponding departments, shall be responsible for the execution of the budget, in accordance with the principles, rules and budgetary criteria established by the Law, its regulations, ordinances and resolutions.

The Mayor shall establish an Administration and Finance Unit, which shall be responsible for the administration and use of the resources allocated in the General Budget of the Municipality. Subunits may be established.

Article 186.- Financial Plan.

Budget execution shall be carried out based on the Municipal Financial Plan, in accordance with the rules established in the Ordinance. Seasonal revenue flows and actual budget execution capacity shall be taken into account.

This Financial Plan will serve as a reference framework for cash flow planning and the allocation of quotas.

Obligations may only be incurred against available balances from specific budget allocations. Allocations may not be used for purposes other than those established in the Budget.

Article 187.- Stages **of Budget Execution.**

The stages in the execution of the Budget are:

a) Revenue:

i) Settlement: identification of the source and economic-financial quantification of the amount of the resource to be received; and

ii) Collection: actual collection of the resource originating from accrued and settled revenue.

b) Expenditure:

i) Forecast: specific allocation of budgetary credit;

ii) Obligation: payment commitment arising from a legal-financial relationship between the Municipality and a natural or legal person; and,

iii) Payment: partial or total fulfilment of obligations.

Article 188.- **Extension** of **the** General **Budget of the Municipality.**

Modifications to the **Pre**General Fund of the Municipality that involve the expansion of estimated expenses, **deben**explicitly allocate the resources **s** with which it will be covered **la** expansion.

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The resources from credit operations shall be incorporated into the General Budget of the Municipality. To this end, the Mayor shall submit the budget expansion project to the Municipal Council, accompanying the request for approval with the respective credit agreement.

Article 189.- Modification of **Budget** Programmes**.**

The Intendance may, by means of a reasoned resolution, modify budgetary appropriations within the same programme, and must inform the Municipal Council of the modifications made in the four-monthly budget report.

It may not exercise this power to transfer appropriations from capital expenditure to current expenditure.

Nor may it transfer appropriations from one programme to another, except by means of an ordinance. In this case, the Municipal Council shall have a peremptory and non-extendable period of thirty calendar days to rule on any request for budgetary modification submitted by the Municipal Government, after which the draft Ordinance shall be considered approved.

Article 190.- Modification of Staff Remuneration.

The creation of new positions and the modification of remuneration provided for in the Municipality's General Budget, regardless of their designation, shall in all cases require a modification of the budget with the approval of the Municipal Council.

Article 191.- Budget Closure and Settlement.

The closing of income and expenditure accounts for budget settlement shall take place on 31 December of each year, for which purpose the following rules shall apply:

a) With retroactive effect as of 31 December, no obligations may be incurred against the financial year ended on that date. Unused budget allocations shall be extinguished without exception;

b) Obligations that are due and payable but have not been paid by the Municipality as of 31 December shall constitute floating debt, which shall be cancelled no later than the last day of February.

c) the balances in the Municipality's general and administrative accounts, once the amounts to be used to pay the floating debt have been deducted, shall become income for the following fiscal year, in the same account of origin and freely available.

After the close of the fiscal year, the budget execution income statement shall be prepared, detailing income, expenses, and their financing.

Chapter II
Treasury System

Article 192.- Cash Plan.

Municipalities shall apply appropriate financial planning techniques for the management of public funds through the use of a cash flow plan based on the financial analysis of cash flows, which shall be drawn up on the basis of the financial plan of resources and expenditures prepared in accordance with this Law.

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Article 193.- Cash Management.

The Mayor may authorise the use of revolving funds for the management of institutional resources, the specific purpose of which must be authorised in the budget and the application of which must be justified in the month following its use.

Article 194.- Collection, Deposit, Accounting and **Custody of Funds.**

The collection, accounting, temporary custody, deposit or income of municipal public funds shall be subject to the established regulations, in accordance with the following provisions:

a) The proceeds from taxes, fees, contributions, and other revenues shall be accounted for and deposited in the respective collection account in their entirety, without any deductions, except those established by law.

b) officials and agents authorised to collect public funds shall ensure their management and may not retain such resources for any reason, beyond the deadline established by the Comptroller General of the Republic;

c) Any unjustified use or retention beyond the period established by the Comptroller General of the Republic shall constitute a punishable offence against public property and the exercise of public office.

d) the securities in custody shall be deposited exclusively in accounts authorised for that purpose.

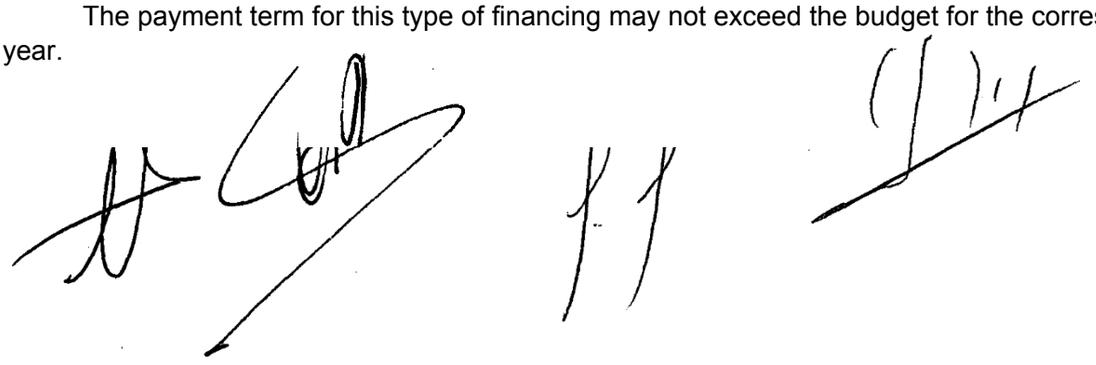
Article 195.- Payment Process.

Payments, in any form or by any means, shall be made exclusively in compliance with the recorded Regal obligations and charged to the budget allocations and available quotas. Payments shall be ordered by the Mayor or by another municipal official authorised by the Mayor and by the head of the Administration and Finance Unit.

Article 196.- Temporary Cash **Financing**.

Municipalities may obtain, with the authorisation of their respective Municipal Councils, short-term loans to cover temporary cash deficits. The limits of such indebtedness shall be determined by the institutional capacity to pay and the provisions of its budget, which may not be exceeded in any case.

The payment term for this type of financing may not exceed the budget for the corresponding fiscal year.



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CHAPTER III
The Credit and **Public** Debt **System**

Article 197.- Public Credit. .

The term "public credit" shall be understood to mean the Municipality's capacity to raise financial resources in order to make productive investments, respond to cases of obvious need or emergency, restructure its organisation or refinance its liabilities, including the respective interest, commissions and expenses. Public credit operations to finance current expenditure are prohibited.

Article 198.- Municipal Public Debt**.**

The indebtedness resulting from public credit operations shall be referred to as "municipal public debt" and may arise from:

a) the issuance and placement of long- or medium-term securities, bonds or obligations related to a loan;

b) the contracting of loans with financial institutions;

c) the contracting of works, services or acquisitions for which full or partial payment is stipulated to be made over the course of more than one financial year, provided that the items being financed have been accrued previously;

d) the granting of guarantees, sureties and collateral, whose maturity exceeds the fiscal year and are authorised by the respective Municipal Council; and

e) the consolidation, conversion and renegotiation of other debts.

Operations carried out within the framework of temporary cash financing are not considered "municipal public debt".

Article 199.- Authorisation to **Contract. Formalisation, Signing** and **Approval of Loan Agreements.**

The negotiation and signing of loan contracts shall be the responsibility of the Municipal Mayor.

Once the loan contract has been formalised, the Mayor shall submit it to the Municipal Council for consideration.

Loan contracts shall be valid and enforceable only if approved by the respective Municipal Councils.

CHAPTER IV
Municipal Accounting System

Article 200.- Municipalities, with regard to their Accounting Systems:

The objective, main characteristics of the system, institutional accounting, technical foundations and structure of I . municipal stability shall be governed by the provisions established in Law No. 1,535/99 "ON STATE FINANCIAL ADMINISTRATION" and its decrees and regulatory resolutions that are applicable to it.

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CHAPTER V
Control and **Evaluation System**

Article 201.- Structure of the **Control System.**

The Municipal Financial Administration control system shall be internal and external, and shall be the responsibility of the respective Municipal Councils, the internal audit bodies determined by each Municipal Government, and the Comptroller General of the Republic.

Article 202.- Internal Control.

Internal control consists of the instruments, mechanisms, and techniques for control, which shall be established in the relevant regulations. Internal control includes control by the internal audit body determined by the Administration and control by the Municipal Board.

Article 203.- External Control.

External control shall be carried out by the Comptroller General of the Republic, who shall be responsible for reviewing and examining the accounts of municipalities for the purposes of controlling budget execution, fund administration and the movement of assets. It shall be based mainly on the verification and evaluation of the documents supporting the accounting operations that result in the financial, budgetary and equity statements, without prejudice to other information that may be requested for the verification of the operations carried out.

Article 204.- Accounting Information for External Control.

Municipalities must make available to the relevant internal and external control bodies up-to-date accounting records and supporting documentation for the accounts corresponding to the operations carried out and recorded.

Article 205.- Independent External Audits.

Without prejudice to the provisions of the previous article, municipalities may contract independent external audits.

Article 206.- Budget Execution Accountability.

The annual accountability report on budget execution shall include the balance sheet and income and expenditure statement, the financial statement, the analytical comparison of the general budget and its execution, and the inventory of assets and other requirements established in the corresponding regulations issued by the Comptroller General of the Republic.

Article 207.- Procedure.

The budget execution report shall be submitted for approval or rejection by the respective municipal council and subsequent examination by the Comptroller General of the Republic. *and* subsequent review by the Comptroller General of the Republic.

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The Municipal Government shall submit the budget execution report to the Municipal Council within the first three months of the following year.

The Municipal Council shall consider the report and give its approval or rejection within forty days of receiving said communication. If the Municipal Council does not issue a decision within this period, the report shall be deemed approved.

If deemed necessary, the supporting documentation for the rendering of accounts may be requested, and the Mayor shall submit it within the period established in the request. Failure to comply with this request may be considered grounds for rejection of the rendering of accounts.

In the event of rejection, the Board shall return the budget execution accounts to the Mayor's Office with the corresponding observations.

The Municipal Council shall consider these observations and, within thirty days of receiving the return, shall resubmit the report to the Board, which shall approve or reject it, in the latter case, by an absolute majority vote of two-thirds.

The Municipal Government shall forward the Resolution of the Municipal Board approving or rejecting the budget execution report, accompanied by the corresponding documents, to the Comptroller General of the Republic for examination, in accordance with the respective laws and regulations.

Article 208.- Reports. ”

The Municipal Administration shall submit to the Municipal Council for its information a report on the budget execution every four months within the following thirty days.

TITLE EIGHT
ON THE MUNICIPAL CONTRACTING SYSTEM

Article 209.- Scope of Application.

Public procurement carried out by municipalities shall be governed by the provisions of Law No. 2,051/03 "ON PUBLIC PROCUREMENT" or any law that replaces it, and by the rules established in this Law.

Article 210.- Information to the Public Procurement Information System.

The information provided by municipalities to the Public Procurement Information System (SICP) shall be provided for the sole purpose of ensuring transparency and public access to information and shall not imply that municipal procurement is subject to authorisation or approval by the Central Regulatory and Technical Unit of the Ministry of Finance (UCNT).

If the Central Regulatory and Technical Unit detects any irregularity in the municipal procurement procedure, it shall communicate this circumstance to the Comptroller General of the Republic and to the respective Municipal Comptroller so that these bodies may exercise their control functions. Municipal
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Article 211.- Contractual Initiative.

All procurement procedures must be initiated by the Municipal Administration.

Article 212.- Commencement of the Process.

The Municipal Government shall request the Municipal Council's approval of the corresponding Terms and Conditions, as well as authorisation to issue calls for public tenders or competitive bidding.

Article 213.- Consideration of the Terms and **Conditions by the Municipal Council.**

The Municipal Council shall have a maximum period of thirty days to approve, modify or reject the Terms and Conditions.

Article 214.- Automatic Approval.

The silence of the Municipal Council during the period specified in the previous article shall be considered automatic approval.

Article 215.- Award.

The award shall be made by the Municipal Council.

Article 216.- Approval of **the Award.**

The Municipal Council is responsible for approving the award of public tenders and competitive tenders. If no decision is made within twenty days of receipt of the relevant information, the award shall be deemed to have been automatically approved.

Article 217.- Contracting.

Once the award has been approved, the Municipal Government shall proceed to sign the respective contract, after the interested party has provided the corresponding guarantee of contract performance.

Article 218.- Obligation to obtain a **legal** opinion**.**

Both the Board and the Municipal Mayor shall require the opinion of the Legal Director before accepting, signing or terminating any contract.

Article 219.- Exception to **the Obligation** of **Retention on Signed Contracts.**

Municipalities are exempt from the obligation to withhold tax on contracts signed, as provided for in Article 41 of Law No. 2,051/03 "ON PUBLIC PROCUREMENT".

TITLE NINE

ON THE MUNICIPAL **PERSONNEL** REGIME

Article 220.- Legal Regime.

The provisions of the Law "ON PUBLIC SERVICE*" shall apply to municipalities *and* their personnel, the provisions of the Law "ON PUBLIC SERVICE*, which regulates the legal status of civil servants in general, throughout the present Law. which does not contradict with special rules provided for in

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Article 221.- Positions of trust.

The following positions are positions of trust within the Municipality and are subject to free disposal: '

a) The Secretary General of the Municipality;
b) The private secretary of the Mayor;
c) The Secretary General of the Municipal Council;
d) The legal director, the administrative director, the director of finance and treasury, the treasurer, and officials who hold positions with similar functions and hierarchies, with the exception of those who are part of the civil service career;
e) Officials who hold the position of general director, director, or equivalent hierarchical positions, with the exception *of* those who are members of the civil service.

This list is exhaustive.

Those who hold such positions may be removed by the appointing authority. Removal from these positions, even for reasons not attributable to the official, does not entail the economic consequences of dismissal. Officials who have been promoted to these positions retain the rights acquired prior to their appointment.

Article 222.- Provisional Appointment.

The position held by the official appointed to another position classified in this Law as a "position of trust" shall be filled provisionally by the person who corresponds according to the hierarchy. Similarly, any subsequent vacancies shall be filled in the same manner.

Article 223.- Disciplinary Sanctions.

Disciplinary sanctions for serious offences committed by personnel employed by the Municipal Government shall be imposed by the Municipal Mayor, following an administrative investigation conducted by an investigating judge appointed by said authority. The decision issued by the Mayor shall be well-founded and shall rule on the verification of the facts investigated, the guilt or innocence of the accused and, where appropriate, the corresponding sanction.

Disciplinary sanctions for offences committed by personnel employed by the Municipal Council shall be imposed by the President of the Municipal Council, in accordance with the procedure established in the preceding paragraph.

TITLE X
ON MUNICIPAL PLANNING AND LAND USE

CHAPTER I
General

Article 224.- Municipal Planning.

Municipalities shall establish a municipal planning system consisting of at least two instruments: the
nsustainable development plan for the municipality and the urban planning and development plan.
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Article 225.- The Sustainable Development Plan.

The Sustainable Development Plan shall aim to achieve urban and rural development that is in harmony with natural resources, with a view to collective well-being.

The Sustainable Development Plan is a technical and municipal management tool that defines the objectives, strategic lines, programmes and projects in the social, economic, environmental, institutional and infrastructure areas aimed at achieving social equity, economic growth and ecological sustainability in the municipality.

The basic content of the Sustainable Development Plan will be a social plan, an economic plan and an environmental plan for the municipality.

The municipality's operational and investment plans must be consistent with the Sustainable Development Plan.

Central government agencies, decentralised entities and provincial governments shall coordinate their plans and strategies with municipalities in order to harmonise them with the municipality's Sustainable Development Plan.

Article 226.- Urban and **Territorial Planning Plan.**

The purpose of the Urban and Territorial Planning Plan shall be to guide the use and occupation of land in the urban and rural areas of the municipality in order to reconcile them with their natural environment.

The Urban and Territorial Planning Plan is a technical and municipal management instrument that defines territorial objectives and strategies in accordance with the Sustainable Development Plan and contains at least the following aspects:

a) the delimitation of urban and rural areas;
b) territorial zoning: establishment of zones with specific uses and limitations based on criteria of compatibility of activities, optimisation of their functional interactions and consistency with the ecological suitability and significance of the natural environment;
c) the regime for the subdivision and development of real estate for each zone;
d) the construction regime;
e) the road system; and
f} the infrastructure and basic services system.

Article 227.- Lot size.

The surface area **mini**mof an urban lot shall be 360 (three hundred and sixty) square metres.

Each municipality may **dr**,' **a**trestablish minimum dimensions greater than those specified in the previous paragraph.

Exceptionally, in order to implement social housing solutions or authorise de facto settlements that predate the entry into force of this Law, minor measures approved by Ordinance may be established.

Article 228.- Built-up area.

The built-up area of plots may not exceed the limits set by municipal ordinances according to urban zones, but in no case may it exceed 75% (seventy-five per cent) of the land area.

Article 229.- Size of Streets and Avenues

Avenues shall have a minimum width of 32 m (thirty-two metres), and streets shall be no less than 16 m (sixteen metres) wide, including pavements.

Subdivisions bordering regional or international roads must provide for an internal street parallel to those roads.

Exceptionally, in order to implement solutions for de facto social settlements that existed prior to the entry into force of this Law, smaller dimensions may be established, provided that they allow access for emergency vehicles, by means of an Ordinance approved by an absolute majority of two-thirds of the Municipal Council.

Article 230.- Cadastral Information System.

Municipalities shall establish a cadastral information system for real estate.

The preparation, continuous updating, and approval of the cadastre is the responsibility of the municipal government. The cadastre must comply with the technical standards developed by the National Cadastre Service.

To this end, the municipal government shall submit the cadastral information generated to the National Cadastral Service so that this body may verify compliance with the previously established technical regulations and issue the relevant resolution.

Only in the event of non-compliance with current technical standards may the National Cadastral Service issue observations and make the relevant request to the local government to introduce the corresponding modifications and comply with the technical standards.

The resolution of the National Cadastral Service must be issued within 180 days from the date of submission by the local authority. Otherwise, the cadastral information will be considered unobjectionable.

The Intendencia shall approve the cadastre by resolution. A copy of the resolution shall be sent to the National Cadastre Service for the incorporation of the cadastral information into the national cadastre system.

Article 231.- Preparation by the of the Cadastre.

The preparation of the cadastre in accordance with the information provided to the cadastre system of the National Service Cadastre may liz r e nera partial in relation to the total area of the municipality.

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Chapter II
On the Surface Area and Boundaries of Urban Areas

Article 232.- Boundaries of Urban Areas.

The boundaries of the urban areas of the municipality shall be determined by Ordinance, taking into account:

a) the distribution and density of the population;
b) available and planned facilities and services;
c) planned urban expansion; and
d) natural or artificial physical boundaries.

Article 233.- Delimitation Procedure.

The delimitation of urban areas within the municipality shall comply with the technical standards issued by resolution of the National Cadastral Service.

To this end, prior to the processing of the draft Ordinance, the Municipal Government shall send a copy of the preliminary urban delimitation project to the National Cadastral Service so that it may verify compliance with the previously established technical regulations and issue the relevant resolution.

Only in the event of non-compliance with current technical standards may the National Cadastral Service issue observations and make the relevant request to the municipal government to introduce the corresponding modifications and comply with the technical standards.

The resolution of the National Cadastral Service must be issued within sixty days from the date of submission by the Municipal Government. Otherwise, the preliminary urban delimitation project shall be considered to have no objections and to have received a favourable resolution from the National Cadastral Service.

The Municipal Government shall forward the draft urban delimitation ordinance and the favourable resolution of the National Cadastre Service to the Municipal Council.

Once the urban delimitation ordinance has been issued, the Intendencia shall forward a copy thereof to the National Cadastre Service so that it may register the new boundaries established in the National Cadastre.

Article 234.- Transfer of Real Estate to the Municipality.

When, due to the expansion of urban areas, public lands are affected, they shall be transferred free of charge to the municipalities. Such transfer shall be formalised within one hundred and eighty days of the entry into force of the respective Ordinance, by the Chief Clerk of the Government.

Chapter III
General **Regulations on Buildings** and **Installations**

Article 235.- General Building Regulations.

Any person interested in constructing, extending, renovating or demolishing a building must first obtain a permit from the local council and comply with the regulations established in the laws and ordinances. This provision also applies to public and private entities and organisations.

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Municipal building permits shall be regulated administrative acts and shall be limited to verifying compliance with the rules established in laws and ordinances.

Article 236.- Building Safety.

All buildings must have safety measures in place in accordance with the nature of the building and must include at least the following:

1) preventive protection, mainly through the control of electrical, gas and heating installations and the use of flammable materials;

ż) passive or structural protection, related to the construction of buildings, considering their location, especially in terms of fire resistance, fire doors, stairwells, protected lifts, fire escape stairs and helipads, and

3) Active protection, or the ability to combat accidents, using manual equipment and other larger-scale equipment, fire installations, alarms, detectors, and staff training.

The partial or total commissioning of buildings shall be subject to compliance with the conditions established in each case, in accordance with the provisions of this article.

Article 237.- Construction or Installation of Monuments and Others.

The construction or installation of busts, statues, or monuments commemorating deceased persons or historical events in public places must be approved by ordinance.

Article 238.- Advertising Installations.

All persons interested in installing posters, signs or other advertisements on public roads or visible from public roads must first obtain a municipal permit and comply with the rules established in the laws and ordinances.

CHAPTER IV
Subdivisions

Article 239.- Definition.

The term "subdivision" shall be understood to mean any division of real estate into two or more parts.

The terms subdivision, division, or parceling shall be considered equivalent. Similarly, the parts resulting from the division of the property may be referred to interchangeably as lots, fractions, or parcels.

Article 240.- Regulatory Scope.

The provisions of this Law shall apply to subdivisions carried out by both natural and legal persons, public or private, without exception.

Likewise, the provisions of this Law shall apply to properties resulting from inheritance or condominium partition, regardless of the reason, origin or purpose of the division.

Similarly, divisions whose purpose is the annexation of a part of one property to another shall be subject to the provisions of this Law.

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Article 241.- Requirements for Approval.

Anyone interested in obtaining municipal approval for the subdivision of a property must submit the respective application to the Municipal Council, accompanied by the following documents:

ø) a certified copy of the title deed. In the case of a condominium, the request must be signed by all co-owners or their representation must be reliably accredited;

by the Certificate of Ownership Conditions, which must be issued by the General Directorate of Public Registries. If the property is encumbered by a mortgage, the consent of the mortgagee will be required. Approval will not proceed if the property is seized or registered as disputed;

c› proof of payment of property tax. This proof must certify payment of the last obligation that has fallen due. The existence of debts for other items will not be taken into account, even if they relate to property tax on properties other than those affected by the project;

d) the descriptive report of the property. This descriptive report, also known as an expert report, must be prepared and signed by a professional registered in the municipality in question, in as many copies as established by the Municipal Government regulations.

This report must contain:

1) The exact and precise identification of the property to be subdivided, indicating the following information: a) Central Account Number; and b) Property, specifying the District, Section, date, volume and folio of its registration with the General Directorate of Public Registries;

2) the total area of the property to be subdivided;

3) specification of the boundaries of the property to be subdivided and the natural and artificial landmarks within and outside the property for its location in the municipality;

4) an indication of the area of each of the fractions resulting from the subdivision;

5) the specification of the boundaries of each of the parcels resulting from the subdivision;

6) an indication, where applicable, of the parcels designated for streets and avenues, with their respective areas and boundaries;

7) the specification, where applicable, of the plots intended for squares, with their respective areas and boundaries;

8) the indication, where applicable, of the plots intended for public buildings, with their respective areas and boundaries;

9) the identification of the property owner; and

10) the mention and name del profprofessional responsible for the report.

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All technical indications in the expert report must be highlighted with coordinates and degrees and existing references, as relevant.

e) The subdivision plan. This plan shall graphically describe the content of the expert report related to the proposed subdivision. Said plan shall be prepared and signed by the same licensed professional who prepared the expert report, in as many copies as the Municipality requires.

Article 242.- Requirements for **Special Cases.**

In addition to the requirements set forth in the previous article, the subdivision project may require the following additional requirements: "/

a) Environmental Impact Assessment Study: In the cases indicated in Law No. 294/93 "ON ENVIRONMENTAL IMPACT ASSESSMENT" and its regulations; and,

b) Judicial survey: If the property to be subdivided is not adequately delimited or there are doubts regarding such delimitation, a prior judicial survey shall be required.

Article 243.- Urban planning requirements.

Subdivision projects must comply with the provisions established in the laws and ordinances corresponding to their urban development.

The Municipality shall provide the interested party in the subdivision with the general criteria that must be respected in order to harmonise with the layout of the streets planned for the adjacent land or with the studies relating to the Urban and Territorial Planning Plan.

Article 244.- Municipal Approval.

All subdivisions must be approved in advance by the Municipality, in accordance with the procedure set forth in the following article, before their implementation.

Article 245.- Approval Procedure.

The subdivision requires provisional approval from the Municipal Council and final approval from the Municipal Board, in accordance with the procedure detailed below:

a) Provisional Approval by the Municipal Government:

Once the requirements established in the legislation have been met, the Municipal Government shall issue a reasoned decision, provisionally approving the subdivision in question within a maximum period of thirty days from the date on which all the requirements have been met by the applicant. etario.

If there are objections, the Municipal Government shall reject the project by means of a reasoned resolution.

b) Final approval or ratification by the Board:

Once the subdivision has been provisionally approved by the Municipal Council and the obligations imposed on the owner in Articles 246 "Obligations of the owner" and 247 "Mandatory property tax" of this Chapter, the File shall be submitted for consideration by the Municipal Council, which shall issue its decision within a maximum of fifteen days from the date of receipt at the ordinary meeting of the Municipal Council.

If there are no objections, the subdivision project shall be definitively approved, ratifying the resolution of the Municipal Council. Otherwise, the project shall be rejected by means of a reasoned resolution.

c) Automatic approval:

If the Municipal Council does not issue a ruling within the period specified in the preceding paragraph, the subdivision project shall be deemed automatically approved, provided that the obligations imposed on the owner in Articles 246
*Obligations of the owner" and 247 "Mandatory property tax".

In this case, the Municipal Council shall, at the request of the interested party, issue a certificate attesting to said final approval in the absence of a decision by the Municipal Council, after verifying compliance with the obligations imposed on the owner mentioned in the previous paragraph.

Article 246.- Obligations of the Owner.

Once provisional approval has been obtained from the Municipal Council, the owner shall have thirty days to carry out the following work:

a) delimitation and marking of each of the resulting plots;

b) carrying out drainage and other works that may be required;

c) opening and cleaning of the plots designated for streets and avenues;

d) opening and cleaning of the sections designated for squares and public buildings;

e) adjustment of the gradients of public roads;

f} transfer and registration with the General Directorate of Public Registries of the plots intended for public use, expressly indicating their public nature and their designated use; and

g) payment of the property subdivision tax.

Article 247.- Mandatory Property Tax.

The term 'mandatory contribution in kind' shall be understood to mean the area of land that the owner of a property must transfer to the Municipality for the purpose of building roads, squares or public buildings.

For properties with an area of two hectares or more, the contribution shall be equivalent to 5% (five per cent) of the area, which shall be used for public squares and/or buildings in the location decided by the Municipality according to its urban planning and needs.

If the property is equal to or greater than three hectares, the contribution shall be 7% (seven per cent).

Article 248.- **Location** of **Public Parcels.**

Both the layout of the roads (streets and avenues) and the location of the areas designated for squares and/or public buildings will be determined by the Municipality, for which the professional in charge of preparing the project must carry out the corresponding preliminary technical consultations. '

In accordance with duly established urban planning criteria, the area designated for public squares and/or buildings may be divided, locating them in two or more different sites within the subdivision project.

Article 249.- Responsibility for fees.

The expenses incurred in the transfer and registration of the portions that must be transferred to the Municipality as mandatory property tax shall be borne by the developer. "

On the other hand, the costs of transferring the lots, whether in cash or in instalments, shall be covered by the seller and buyer in equal parts. The deed of transfer shall be executed at any notary's office in the municipality where the subdivision was carried out.

Article 250.- Sale of Lots on Instalment - **Obligation to Register.**

The owner who obtains approval for a property subdivision project whose lots will be offered for sale on a deferred payment basis must register the following with the General Directorate of Public Registries:

a) the Municipal Resolution of final approval of the project in question, as a marginal note in the corresponding Property Registry; and

b) the standard purchase and sale agreement to be used in the transaction.

The formalisation of each of the instalment sale contracts must also be registered both with the General Directorate of Public Registries and with the Municipal Cadastre Directorate or with the department indicated by the Municipal Government.

Article 251.- Creation of a Special Division.

For the purposes of registering the standard purchase agreement, as well as the respective agreements duly formalised between the seller and the buyer, the Real Estate Registry of the General Directorate of Public Registries shall establish a new Division in each of its Sections, which shall be added to the list of 5 Divisions provided for in Article 265 of the Judicial Organisation Code.

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Article 252.- Number of Copies of the Contract.

The contract for the sale of lots on instalment terms shall be issued in three copies with identical content and wording. One of these copies shall remain in the possession of the seller, another copy shall remain in the possession of the buyer, and the third copy shall remain in the General Property Registry, specifically in the Sixth Division created in accordance with the previous article, and the corresponding Index Book shall be prepared.

Article 253.- Effects of Registration.

The registration of forward purchase agreements signed between the seller and buyer implies that the property is unavailable to the seller. Consequently, the property in question may not be sold, leased, or used to establish any type of real rights. Any such transactions will be considered null and void.

However, both the seller and the buyer may assign their respective rights in accordance with the rules of common law.

Article 254.- Mandatory Contractual Clauses.

All contracts for the sale of plots on instalment terms must contain the following information:

a) full name or denomination of the natural or legal person selling the property;
b) full name or designation of the natural or legal person acquiring the property;
c) address of the parties;
d) exact identification of the property covered by the purchase agreement, indicating the following details: i) location of the plot in the development and in the municipality; ii) block number; iii) lot number or Cadastral Current Account number;
iv) total area of the lot; v) boundaries and natural features within the lot;
e) sale price; f)
payment term;
g) amount of each instalment;
h) frequency of instalment payments;
i) number of the resolution through which the aforementioned subdivision project was definitively approved;
j) description of the details of the registration of the parent company with the General Directorate of Public Registries: property, district, section, date, volume and folio.

Article 255.- Implicit Contractual Clauses.

Although not expressly stated in the instalment sale contracts, the following clauses shall be considered part thereof:

a) the seller's obligation to grant free possession of the lot upon payment of the first instalment;
b) the seller's obligation to transfer ownership of the lot in question, once the buyer has made a down payment of at least 25% (twenty-five per cent) of the total price. In this case, the lot in question shall be encumbered with a mortgage until the balance of the debt is paid off in full in favor of the vendor until the balance of the debt has been paid in full;

c) that unilateral termination of the contract attributable to the buyer for non-payment at maturity may only take place when there is a delay of more than ten instalments;
d) that, in the event that the contract is terminated for any reason, the purchaser may remove, at their own expense, any improvements they have made to the property;
e) that, in the event that it is materially impossible to remove said improvements, they shall be appraised and the amount thereof shall be paid to the owner thereof, either directly by the owner of the property or through an auction, within a maximum period of three months from the date of the appraisal; and,
f) that both cleaning and maintenance in good condition are the responsibility of the buyer.

Article 256.- Null Contractual Clause,

Any contractual clause stipulating that improvements made by the buyer shall remain in the possession of the seller in the event that the contract of sale is terminated due to non-payment of instalments upon their due date shall be considered null and void and, therefore, of no value.

Article 257.- Seizure Ordered against the Seller.

Preventive or executive seizures decreed by the court against the seller of a lot on instalment, which are verified after the registration of the corresponding purchase agreement, shall only affect the credit that the seller has in relation to the buyer for the instalments not yet paid.

Article 258.- Creditors' Meeting and Bankruptcy of the Seller.

Contracts for the purchase and sale of lots on credit shall be enforceable against third-party creditors of the seller, both in insolvency proceedings and in bankruptcy, provided that at least 25% (twenty-five per cent) of the total price has been paid.

In this case, the trustee shall grant the corresponding public deed of transfer in favour of the buyer, constituting a real guarantee of mortgage on the outstanding balance.

Article 259.- Obligations of the Directorate General of Public Registries.

When the General Property Registry issues a Certificate of Ownership, it must also issue marginal notes relating to the property in question, as well as the contents of the Sixth Division Registry relating to forward purchase agreements for plots of land.

If the contract for the sale of plots on instalment does not meet the minimum requirements of this Law, the Registry shall refuse to register it.

CHAPTER V
Housing Complexes and **Horizontal Property Article 260.-**

Residential Complex.

A group of residential or commercial units gathered together or isolated within the same plot of land shall be considered "residential or commercial" even if the property may be individual or collective.

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Article 261.- **Open** Areas **in Housing Complexes.**

Housing or residential complexes shall have a percentage of free areas according to their size:

a) On plots larger than 8,000 m²(eight thousand square metres), there must be a minimum open area of 30% (thirty per cent) of the total plot area; and,

b) on plots between 600 m²(six hundred square metres) and 7,999 m²(seven thousand nine hundred and ninety-nine square metres), there must be a minimum open space of 25% (twenty-five per cent) of the total area of the plot.

At least 50% (fifty per cent) of these free areas shall be allocated to collective recreational spaces.

Article 262.- Approval Requirements.

In order to be approved, housing or residential complex projects must be equipped with, at a minimum, drinking water, electricity, sewage *and* storm drains, and public lighting. Internal road networks must allow access for emergency vehicles.

Article 263.- Regulation of Housing Complexes.

The location, construction, and fitting out, as well as the type of design of the units in housing or residential complexes and other aspects shall be regulated by ordinances, in accordance with their urban plans.

Article 264.- Multi-storey or Apartment **Buildings**.

Buildings constructed by floors or apartments in accordance with the regime established by the Civil Code shall be subject to regulation by Ordinance, which shall determine the minimum surface area of the units, access and circulation facilities, and fire prevention and other safety measures deemed appropriate by the municipality.

Article 265.- Procedure.

Housing complex projects must be approved by the municipal government prior to their execution, in accordance with the procedural rules established by ordinance.

Article 266.- Registration of Purchase and Sale **Agreements**.

The contracts or deeds of sale for the flats or apartments mentioned in the previous article shall be registered by the seller in the Municipal Land Registry, the General Directorate of Public Registries and the National Land Registry within a period not exceeding thirty days from the date of signing.

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CHAPTER VI
Expropriation

Article 267.- Expropriation for reasons of social interest.

For the implementation of urban development plans, expropriation for reasons of social interest may be sought for the properties to be affected. To this end, the Municipal Mayor shall request authorisation from the Municipal Council, which must indicate:

a) the grounds for the requested measure;
b) the legal status of the property;
c) the intended use of the property;
d) the georeferenced expert report and the property plans;
e) tax assessment of the property to be expropriated; and
f) Source of funds to cover the costs.

Once the expropriation law has been enacted, the Municipality and the owners shall agree on the price of the expropriated property within a period not exceeding ninety days. If no agreement is reached, the matter shall be immediately referred to the Judge of First Instance in Civil Matters for a judicial determination of the price.

If the expropriation corresponds to the greater part of the property, and the remaining portion cannot be put to any useful use for the owner, it shall cover the entire land.

TITLE ELEVEN
ACTIONS AND APPEALS AGAINST MUNICIPAL RESOLUTIONS AND OTHER ACTS

CHAPTER I
Administrative Procedures and Appeals

Article 268.- Tax Penalties.

The procedures for administratively penalising municipal tax offences *and* the appeals system are governed by the relevant provisions of municipal and national tax legislation.

Article 269.- Disciplinary Penalties.

Disciplinary sanctions against municipal personnel and the appeals system are governed by the relevant provisions of Law No. 1,626/00 "ON THE CIVIL SERVICE".

Article 270.- Appeals for Reconsideration or Redress.

The appeal for reconsideration or reversal is optional and may be filed against the same body that issued the decision within a strict period of ten working days, calculated from the day following the date on which the decision being appealed was notified. The administrative body must rule on the appeal within ten working days. If the body orders further evidence to be taken, the period shall be counted from the date on which the evidence is taken.

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If no decision is issued within the specified period, the appeal shall be deemed to have been tacitly denied.

The appeal for reconsideration shall not proceed against decisions handed down by the Mayor in an appeal.

Article 271.- Appeal or **Hierarchical Appeal.**

An appeal or hierarchical appeal may be lodged within a period of five working days against an express or tacit decision issued by a body subordinate to the Mayor. This period shall be counted from the day following notification of that decision or from the expiry of the period for issuing it. The appeal shall be lodged with the person who issued the decision and shall be heard before the Mayor, to whom all the background information must be forwarded within two working days.

The Mayor's decision shall be issued within ten working days, counted from the day following the date of filing of the appeal. If this period elapses without an express decision having been taken, the appeal shall be deemed to have been automatically rejected.

The appeal regulations established in this article shall not apply to decisions made by the Misdemeanour Court, which may be appealed under the terms and in accordance with the procedure established in Title IV.

CHAPTER II
Legal Actions

Article 272.- Contentious-Administrative Action.

Contested administrative actions may be brought before the Court of Auditors against decisions that put an end to administrative proceedings within 18 (eighteen) working days of the decision being made.

Article 273.- Non-Suspension of Municipal Resolutions.

No action shall be admitted before the judicial or administrative authorities that seeks to prevent or suspend compliance with municipal resolutions concerning safety, hygiene, and communal public property. Individuals harmed by such resolutions shall exercise their rights in the manner provided for in the preceding article.

Article 274.- Conflicts of Jurisdiction.

Issues of jurisdiction between municipalities and between municipalities and any other authority shall be resolved by the Supreme Court of Justice, in accordance with Article 259 of the National Constitution.

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Article 275.- Unattachable Municipal Assets.

The income *and* property of municipalities allocated to municipal services shall be unattachable. Under no circumstances shall judicial inhibition proceed against municipalities.

Municipal private property not used for municipal services may be seized if the municipalities fail to pay the debt within twelve months of its maturity date or, where applicable, of notification of the conviction.

Article 276.- Responsibilities of Municipal Authorities.

The members of the Board shall be personally liable with their assets, in accordance with civil and criminal laws, for any damages caused to the Municipality in the exercise of their functions, for acts and operations authorised by them in violation of the legal provisions in force, except for those who have recorded their dissenting vote in the minutes of the respective session or those with prior permission. The Mayor and other municipal officials shall be subject to civil and criminal liability for failure to comply with the provisions of this Law in the performance of their duties.

The action to enforce civil liability shall lapse two years after the date of termination of their duties.

TITLE TWELVE
FINAL AND TRANSITIONAL PROVISIONS

Chapter I Final Provisions

Article 277.- Appearance before **the Court.**

The Municipal Mayor and the President of the Municipal Council may not be compelled to appear before the courts to answer questions or for other acts related to proceedings before said courts; however, a written report may be requested from them in cases where their personal testimony is indispensable.

Article 278.- Prohibition and **Contractual Exception.**

Members of the Municipal Council, the Mayor and municipal officials may not enter into contracts with the Municipality where they provide their services, under penalty of nullity of the act, except for the usufruct of a plot of land, the lease and purchase of property intended for housing. In the latter case, the municipal official shall not own any other property in the territory of the Republic, which shall be verified by means of a certificate of non-ownership of real estate.

Once the municipal property is acquired as private property, it may not be transferred again. is acquired as private property it may not be transferred again before five years have elapsed since its acquisition.

Article 279.- Personal Services.

The expenses of current revenue in personal services established in Article 179 of this Law shall be applied as follows: one year after the Act comes into force, the limit shall be 85% (eighty-five per cent); after two years, 75% (seventy-five per cent); after three years, 65% (sixty-five per cent); and after four years, 60% (sixty per cent).

Article 280.- Regulations.

The Comptroller General of the Republic shall regulate the provisions on financial administration established in this Law within six months of its entry into force.

Article 281.- Deadlines.

Unless expressly provided for in a contract, all deadlines established in this Law shall be calculated in calendar days.

Deadlines in calendar days, if they expire on a non-working day, shall expire on the next working day.

In addition to public holidays, Saturdays and Sundays, and days designated as municipal holidays shall be considered non-working days.

Article 282.- Daily wages.

When this Law refers to wages, it shall be understood to mean the minimum wage for various activities not specified in the Republic.

Article 283.- Repeals.

The following Laws are repealed:

1) No. 1,294/87 "MUNICIPAL ORGANIC LAW";

2) No. 1,276/98 "ESTABLISHING THE MUNICIPAL OFFENCES REGIME AND THE PROCEDURE FOR MUNICIPAL OFFENCES";

3) No. 1,733/01 "AMENDING ARTICLE 27, SUBSECTION g) OF LAW No. 1,294/87, MUNICIPAL ORGANIC LAW";

4) No. 1,909/02 *ON SUBDIVISIONS";

5) No. 2,454/04 "AMENDING ARTICLE 26 OF LAW No. 1,294/87 "MUNICIPAL ORGANIC LAW"; and,

6) No. 3,325/07 "AMENDING ARTICLES 38, 62, 163, 164 AND 165 OF No. 1,294/87, MUNICIPAL ORGANIC LAW".

Any **emás** legal provisions that are contrary to this Law are repealed.

LAW No. 3,966

Chapter II
Transitional Provision

Article 284.- From Paving.

The Special Fund for Paving and the Special Account shall not be mandatory for Third and Fourth Category municipalities until 2011.

Article 285.- Communicate to the Executive Branch.

The Bill was approved by the Honourable Chamber of Deputies, on the 15th day of the month of . ••ł iembredel afio dos mil nueve, y por la Honorable Cámara de Senadores, a los d" isiete díás del mes de diciembre del año dos mil nueve, quedando sa cionado e(m" o, de co}iformidad con lo dispuesto en el Artículo 207, numeral 3 de la Co tución Nacîo l.

Enrique Salvn Buzquis Cáceres
Presidente
H. Cá a de Di Members of Parliament

Oscar L is Tum Lawyer
Secretary Parliamentary

My " or a iano
Presidente
H. Cámara de Senadores

Ana María Mendoza de Acha
Parliamentary Secretary

Asunción, of e . of /pm .

Let it be known by the Law of the Republic, published and inserted in the Official Register.

The President of the Republic

Fernando Lugo Méndez

Rafael Filizzola
Minister of the Interior