

LAW
OF THE REPUBLIC OF ARMENIA

Adopted by the National Assembly
on 26 December 1997

ON LOCAL DUTIES AND FEES

CHAPTER 1

GENERAL PROVISIONS

Article 1. Subject matter of the Law

1. This Law defines the concept of local duties and fees in the Republic of Armenia, local duty and fee payers, the procedure and conditions of fixing and charging local duties and fees; regulates other relations pertaining to duties and fees.

2. The relations pertaining to the fees charged pursuant to the civil law contracts by the local self-government bodies and/or by the enterprises founded by them, shall be regulated by other laws and legal acts of the Republic of Armenia.

Article 2. Concept of local duty

Local duty is a mandatory charge for the exercise of powers of local self-government bodies prescribed by law, levied into the community budget in the manner and amount provided for by this Law. Local duty may be charged periodically in certain cases prescribed by this Law.

Article 3. Concept of local fee

Local fee is a mandatory charge for the operations resulting from the exercise of powers of the local self-government bodies prescribed by law, levied into the community budget in the manner and amount provided for by this Law.

CHAPTER 2

LOCAL DUTY AND/OR FEE PAYERS, THEIR RIGHTS AND RESPONSIBILITIES

Article 4. Local duty and/or fee payers

Natural and legal persons, enterprises having no status of a legal person, paying for exercise of powers referred to in Article 7 and for the operations referred to in Article 8 of this Law shall be considered as local duty and/or fee payers.

Article 5. Rights of local duty and/or fee payers

Local duty and/or fee payers shall have the right to:

- (a) require from the body charging local duty and/or fee to perform calculation, as well as recalculation of duty and/or fee;
- (b) file a complaint against the actions of the body or officials charging local duty and/or fee;
- (c) receive a statement on the payment of local duty and/or fee;
- (d) in cases stipulated by law reclaim and get back the amount of local duty and/or fee subject to return.

Article 6. Responsibility of local duty and/or fee payers

Local duty and/or fee payers shall be obliged to provide the bodies or officials, performing operations through charging local duty and/or fee, with documents substantiating the payment of the local duty and/or fee or copies thereof.

CHAPTER 3

TYPES OF LOCAL DUTIES AND FEES

Article 7. Types of local duties

The following types of local duties may be fixed in the communities of the Republic of Armenia:

(a) construction permit for the purposes of carrying out construction, reconstruction, reinforcement, restoration, modernisation, improvement works (except for cases not requiring construction permit in accordance with the legislation of the Republic of Armenia) of buildings, structures, other urban development facilities (including temporary structures) in the administrative territory of the community, whereas in respect of temporary structures for placement permit ;

(b) demolition permit for buildings, structures, other urban development facilities in the administrative territory of the community;

(c) permit for marketing of alcoholic beverages and/or tobacco products in the territory of the community, and permit for sales of alcoholic beverages and/or tobacco products in public catering and entertainment facilities;

(d) permit for organising open-air trading in the territory of the community;

(e) permit for working after 00:00 in the territory of the community for trading, public catering, entertainment facilities, those operating games of chance and lotteries, as well as bathhouses/saunas and casinos;

(f) permit for keeping domestic animals in the territory of the City of Yerevan and urban communities in compliance with municipal rules;

(g) permit for placing outdoor advertising in the territory of the community in compliance with the community rules/municipal rules in Yerevan;

(h) permit for providing copies and duplicates of documents from the community archive;

(i) permit to provide passenger taxi service (except for fixed-route taxi service) in the territory of the community;

(j) permit for retail trade in articles of precious metals in the territory of the community;

(k) permit for the sale of liquid fuel and/or compressed natural or liquefied petroleum gases and technical liquids at outlets for retail trade of liquid fuel, compressed natural or liquefied petroleum gases in the territory of community.

(l) for parking a motor vehicle or a trailer thereof in the paid parking places organised in the community owned streets of general use defined by the community council of Elders. Relations pertaining to local duty defined by this subpoint shall be regulated by law.

(m) permit for the sale of technical liquids in the shops, stalls (pavilions) situated in the territory of the community;

(n) permit for organisation and sales of public catering in the territory of the community;

(o) permit for using the names of the communities of the Republic of Armenia in the firm names.

(Article 7 edited HO-170-N of 08 July 2005, supplemented by HO-90-N of 23 May 2006, edited, supplemented by HO-133-N of 27 February 2007, amended by HO-24-N of 26 December 2008, edited, supplemented by HO-224-N of 23 June 2011, amended by HO-41-N of 20-March 2012, edited, supplemented by HO-178-N of 11 September 2012, supplemented by HO-225-N of 6 December 2012)

Article 8. Types of local fees

The following types of local fees may be fixed in the communities of the Republic of Armenia:

(a) compensation fee for services provided by the local self-government body for drawing up and approving technical and economic conditions related to carrying out construction or alteration works changing the exterior of the structure, certifying the commissioning of the accomplished construction in the territory of the community;

(b) compensation fee for services provided by the local self-government body for necessary measurement and other similar works in cases of allocation, taking back and leasing of lands under the disposal and usage of the local self-government bodies;

(c) participation fee as a compensation for expenses related to organising competitions and auctions by the local self-government bodies;

(d) waste disposal fee for organising the disposal of waste by the local self-government bodies;

(e) fee for permit, provided by the local self-government bodies, for collection and transportation of construction and bulk waste.

(Article 8 amended by HO-14-N of 07 October 2003, supplemented by HO-242-N of 23 June 2011)

CHAPTER 4

RATES OF LOCAL DUTIES AND FEES

Article 9. Determination of local duty rates

1. Prior to approving the annual budget of the community, the rates of local duties, within the scope of rates provided for by this Law, shall be determined by the community council of elders upon submission by the head of the community. ***(Sentence deleted by HO-24-N of 26 December 2008)***
2. Unified rates of local duties shall be determined for all payers in the territory of the community.
3. No changes shall be made to local duty rates for the current year.

(Article 9 amended by HO-24-N of 26 December 2008)

Article 10. Local duty rates

1. In compliance with the architectural and construction design approved in the manner prescribed by the legislation of the Republic of Armenia, local duty for construction (placement) permit for new buildings, structures (including temporary structures) shall be fixed as follows:

for permanent facilities:

(a) up to AMD 15000 for private residential houses with total surface area of up to 300 m², including horticultural houses/summerhouses, as well as for public and industrial facilities with total surface area of up to 200 m²;

(b) for facilities not provided for by subpoint "a" of this point:

(ba) up to AMD 30000 for facilities with total surface area of 201 to 500 m²;

(bb) up to AMD 50000 for facilities with total surface area of 501 to 1000 m²;

(bc) up to AMD 50000 for facilities with total surface area of 1001 to 3000 m²;

(bd) up to AMD 100000 for facilities with total surface area of over 3001 m²;

for the placement of temporary structures:

(c) up to AMD 3000 for facilities with total surface area of up to 20 m²;

(d) up to AMD 5000 for facilities with total surface area of over 20 m².

2. For the purposes of carrying out reconstruction, reinforcement, restoration, modernisation, improvement works (except for cases not requiring construction permit in accordance with the legislation of the Republic of Armenia) of buildings, structures, other urban development facilities in the administrative district of the community, where the architectural and construction design approved as prescribed:

(a) does not envisage expansion of total surface area of a facility or change in the functional use of buildings as a result of outbuildings, additional structures, other structures (including underground structures) extending overall dimensions of the building - up to AMD 3000;

(b) envisages expansion of total surface area of a facility or change in the functional use of buildings as a result of outbuildings, additional structures, other structures (including underground structures) extending overall dimensions of the building, except for the reconstruction, reinforcement, restoration or modernisation works of a facility, the norms

for a new construction referred to in the point 1 of this Article in respect of expansion of total surface area of a facility or change in the functional use of buildings, shall also apply in addition to the rate referred to in the subpoint "a" of this point;

(c) envisages only construction of outbuildings, additional structures, other structures (including underground structures) extending overall dimensions of the building or change in the functional use of buildings, this shall be considered as a new construction within the meaning of this Law, in respect of which the norms for new construction prescribed by point 1 of this article shall apply.

3. Local duty for demolition permit for buildings, structures, other urban development facilities in the administrative district of the community shall be fixed up to AMD 5000.

4. Local duty in the territory of the community shall be fixed as follows:

(1) for permit for the sale of alcoholic beverage in the event of organising sales activities at permanent and temporary structures – AMD 0 to 17.500 AMD for each quarter;

(2) for permit for the sales of tobacco products in the event of organising sales activities at permanent and temporary structures – AMD 1.500 to AMD 17.500 for each quarter;

5. In the territory of the community:

(a) local duty for permit for organising open-air trading shall be fixed at AMD 0 to AMD 350 for each day;

(b) local duty for permit for the sales of liquid fuel and/or compressed natural or liquefied petroleum gases and technical liquids at outlets for retail trade of liquid fuel, compressed natural or liquefied petroleum gases shall be fixed at AMD 150 000 to AMD 200 000 for the current year;

(c) local duty for permit for the sales of technical liquids in the shops, stalls (pavilions) shall be fixed at AMD 30 000 to AMD 60 000 for the current year;

(ca) local duty for permit for organisation and sales of public catering in the territory of the community for each quarter shall be fixed at:

AMD 1000 to AMD 6000 in the event of organisation and sales of public catering at permanent structures;

AMD 0 to AMD 1000 in the event of organisation and sales of public catering at temporary structures;

(d) local duty for permit for the sales of liquid fuel and/or compressed natural or liquefied petroleum gases and technical liquids at outlets for retail trade of liquid fuel, compressed natural or liquefied petroleum gases situated at borderline and highland settlements included in the list defined by the Government of the Republic of Armenia shall be fixed at AMD 50 000 to AMD 100 000;

(e) local duty for permit for the sales of technical liquids in the shops, stalls (pavilions) at borderline and highland settlements included in the list defined by the Government of the Republic of Armenia shall be fixed at AMD 10 000 to AMD 20 000 for the current year;

5¹ Local duty for permit provided for in subpoint (j) of Article 7 of this Law shall be fixed at AMD 50.000 AMD for each year.

6. Local duty for permit for working after 00:00 in the territory of the community for trading, public catering, entertainment facilities, those of operating games of chance and lotteries, bathhouses/saunas and casinos, shall be fixed as follows for the current year:

(a) for trading facilities – AMD 25 000 to AMD 50 000;

(b) for public catering and entertainment facilities – AMD 50 000 to AMD 100 000

(c) for bathhouses/saunas – AMD 200 000 to AMD 500 000;

(d) for operation of casinos – AMD 500 000 to AMD 1 000 000;

(e) for operation of games of chance – AMD 250 000 to AMD 500 000;

(f) for operation of lotteries – AMD 100 000 to AMD 150 000.

7. Local duty for the current year shall be fixed at AMD 0 to AMD 5000 for the permit for keeping domestic animals in the territory of the City of Yerevan and urban communities in compliance with municipal rules.

8. Local duty per square metre, for permit for placing outdoor advertising in the territory of the community, shall be fixed as follows for each month:

(a) for outdoor advertisement advertising product containing up to 20% of alcoholic spirits by volume - AMD 1000 to AMD 2000;

(b) for outdoor advertisement advertising strong alcoholic product (content of spirits 20 and more volume percent) - AMD 2500 to AMD 3500;

(c) for other outdoor advertisements - AMD 500 to AMD 1500;

(d) for outdoor advertisement of tobacco product - AMD 3000 to 5000 AMD until October 2006;

(e) for empty billboards - AMD 700.

9. Local duty for permit for providing copies and duplicates of documents from the archive of the community shall be fixed at AMD 0 to AMD 10 000 for the current year.

Local duty for permit for using the names of the communities of the Republic of Armenia in the firm names shall be fixed at AMD 50 000 to AMD 100 000 for the current year.

10. Local duty for permit to provide passenger taxi service (except for fixed-route taxi service) in the territory of the community shall be fixed at AMD 0 to AMD 10 000 for the current year.

11. The highest levels of the rates prescribed by this Article (except for of points 1, 2 and 3) may be 1.5 times higher in the urban communities, and 3.0 times higher in the City of Yerevan.

11¹ The rates prescribed by points 1, 2 and 3 of this Article shall be calculated by applying the following coefficients: 0.3 in borderline, mountainous and highland communities included in the list defined by the Government of the Republic of Armenia; 0.5 in other rural communities; 1.0 in other urban communities, and 7.0 in the City of Yerevan.

(Article 10 amended by HO-260 of 11 November 1998, edited by HO-348-N of 20 May 2002, edited, supplemented by HO-170-N of 08 July 2005, edited by HO-36-N of 16 December 2005, amended, supplemented, edited by HO-38-N of 21 March 2006, supplemented by HO-90-N of 23 May 2006, supplemented, edited by HO-133-N of 27 February 2007, edited by HO-29-N of 08 April 2008, amended by HO-24-N of 26 December 2008, amended, supplemented by HO-178-N of 11 September 2012, edited, supplemented, amended by HO-225-N of 06 December 2012)

Article 11. Determination of local fee rates

1. Local fee rates shall be determined by the community council of elders upon submission by the head of the community in the amount of minimum expenses necessary for performing the given operation.

2. Unified rates of local fees shall be determined for all payers in the territory of the community.

3. No changes may be made to local fee rates for the current year.

CHAPTER 5

THE PROCEDURE FOR CALCULATION AND CHARGING OF LOCAL DUTY AND/OR FEE

Article 12. Calculation and charging of local duty and/or fee

The officials of bodies charging local duty and/or fee shall conduct the calculation of the local duty or fee and shall charge local duty or fee prior to the exercise of those powers or operations proceeding from the rates of local duty or fee fixed in compliance with this Law.

Article 13. Privileges

Privileges in respect of local duty and/or fee may be established by the community council of elders upon submission by the head of the community, paying the local duty or fee out of the community budget instead of the local duty or fee payer.

Article 14. Refund of amounts paid in excess of local duty and/or fee

1. The amounts paid in excess of local duty and/or fee shall be subject to refund upon the request of the local duty and/or fee payer within 30 days following the day of submitting the request.

2. Local duty and/or fee shall be subject to partial or complete refund, if:

(a) the local duty and/or fee has been paid in excess of the amount fixed by the community council of elders;

(b) the bodies charging local duty and/or fee have rejected to perform relevant activities or have returned the applications to the payers.

CHAPTER 6

LIABILITY FOR VIOLATION OF THIS LAW

Article 15. Liability for violation of this Law

Violations of this Law shall entail liability in the manner prescribed by the legislation of the Republic of Armenia.

Article 16. Responsibility for calculating and charging local duties and fees

The responsibility of calculating and charging local duty or fee accurately and in a timely manner shall lie with the respective body or officials charging local duty or fee.

Article 17. Control over observance of the procedure for calculation and charging of local duties and fees

Control over observance of the procedure for calculation and charging of local duties and fees shall be conducted by the head of the community.

Article 18. Appealing against the actions of relevant officials charging local duties or fees

1. The actions of relevant officials charging local duties or fees may be appealed to the body to which these persons are immediately subordinate, or to the court.
2. Appeals shall be examined by way of subordination and decisions thereon shall be made no later than within 5 days upon receiving the appeal.

CHAPTER 7

FINAL PROVISIONS

Article 19. Currency for payment of local duties and fees

Local duties and fees shall be paid in Armenian Drams in official circulation in the Republic of Armenia.

Article 20. Appealing against decisions on defining a local duty or fee

The decisions of the community council of elders on defining a local duty or fee may be appealed to court.

Article 20¹. Informing the members of the community on local duties and fees

1. The head of the community shall ensure provision of information on the rates of local duties and fees, payment procedure and time limits, actual monthly incomes in respect of each type of local duty and fee, as well as information on persons having been granted privileges prescribed by the community council of elders and on respective amounts.

2. The head of the community shall ensure, among other means of ensuring awareness, publication of statements, approved by him and comprising information prescribed by point 1 of this Article, on notice boards placed in a more conspicuous place - within the administrative building of his place of location.

3. The head of the community shall publish the statement on the rates of local duties and fees, procedure and time limits of payment thereof no later than within ten working days following the entry into force of respective legal acts.

3.1. Point "b" of part 5 of Article 10 of the Law shall enter into force from 1 January of the year following the official promulgation.

4. The head of the community shall publish the statement on the amounts of local duties and fees charged within a month, as well as the statement with regard to persons having been granted privileges prescribed by the community council of elders and to respective amounts, no later than on the tenth day of the month following the given month.

(Article 20' supplemented by *HO-348-N of 20 May 2002, HO-178-N of 11 September 2012*)

CHAPTER 8

TRANSITIONAL PROVISIONS

Article 21. Entry into force of the Law

This Law shall enter into force from the moment of its promulgation.

Article 22. Changes to rates of local duties and fees for the year 1998

Point 3 of Article 9 and point 3 of Article 11 of this Law shall not extend to local duties and fees fixed for the year 1998.

President of the Republic of Armenia

L. Ter-Petrosyan

Yerevan

9 January 1998

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