

Strengthening Local Self-Government in Serbia, Phase 2

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METHODOLOGY OF INVENTORY AND REGISTRATION OF PROPERTY OF LOCAL SELF-GOVERNMENT UNITS

PROPERTY INVENTORY AND REGISTRATION IN 30 STEPS

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A. INTRODUCTION – Reasons for Defining the Methodology

I

Legal Framework

From 1995 until 2011, municipalities and towns in the Republic of Serbia did not have the right of ownership over property and other resources necessary for the performance of their own and delegated tasks.

The new 2006 Constitution of the Republic of Serbia provided the basis for adopting a special law that would regulate the issue of property restitution to municipalities and towns.

The new Law on Local Self-Government, adopted in December 2007, prescribes, pursuant to Article 20 paragraph 1 item 25, that the municipality (pursuant to Article 66 of the Law on Local Self-Government, the provisions applying to municipalities apply accordingly to towns as well), through its bodies, manages municipal property and uses state-owned assets and takes care of their maintenance and enhancement.

The Law on Public Property, which also regulates ownership of property at the local self-government level, was adopted in September 2011 and this completed the legal basis for the establishment of the local self-government unit's competence over and management of the public property it possesses.

II

The Significance and Objectives of Property Management

Property management is a process of making decisions concerning the acquisition, management, use and disposal of property used for the performance of own and delegated tasks of local self-government units.

This process enables the preservation and creation of new value through optimal revenue increase, expenditure control, risk management, compliance with laws and by-laws and acts of the competent bodies of local self-government units, as well as the physical maintenance of property.

The examples of the countries in the region show that strategic property management results in an increase in revenue of 8% and even up to 25% of the local self-government unit budget.

Modern approaches to the management of property of local self-government units should enable achieving the pre-defined objectives, such as:

- higher budget revenue
- lower budget expenditure
- possibility of reducing local tax and fee rates, which may be an incentive to local economic development
- greater responsibility and transparency of local self-government units in property management
- improved investment and business conditions – lower investment and business costs
- better economic conditions for private entrepreneurs that use the property of local self-government units

- faster local economic development and increased competition

The process of property management at the local self-government level develops rather slowly and the main reasons are the difficulties in property inventory (because the records are mostly not up-to-date), non-harmonised regulations at the local level and lack of professional capacities.

B. PROPERTY INVENTORY AND REGISTRATION IN 30 STEPS (WHAT? WHO? HOW?)

I. Preparatory Activities

1. Forming the Working Team/Group

For the purpose of carrying out the inventory and registration of property as the basis for successful management of property of local self-government unit (LSU), a Working Team/Group should be appointed that will deal with the establishment of procedures in the field of property management.

The task of the Working Team/Group is to coordinate, in cooperation with the competent municipal/town bodies, public enterprises and public services whose founder is the LSU, the following:

- Preparation of the Action Plan
- Harmonisation of the legal framework at the LSU level
- Concept of assignment of competences
- Collection and systematisation of data required for property inventory
- Classification of town property based on functional purposes
- Determination of the value of property
- Preparation of documents for registering the right of public ownership in the property registry.

Recommendation:

The Working Team should be formed by a decision of the Mayor and consist of the members of the Municipal/Town Council, representatives of the Town Administration and representatives of public enterprises and institutions, who are experts in relevant fields (lawyer, surveyor, economist, civil engineer).

The operation of the Working Team/Group will be completed with the establishment of a clear structure of competences for the management of public property at the LSU level.

2. Defining the Action Plan

The plan of activities relating to the inventory and registration of LSU property is necessary in order to increase the efficiency and rationalisation of resources engaged in this significant and complex task.

The Action Plan should include all planned activities to be carried out in the process of inventory and registration of public property, with the time frame, competences and the responsible person.

The preparation and creation of the Action Plan will be coordinated by the Working Group/Team and the Mayor should be in charge of the adoption of the Plan.

Examples of the Action Plan:

No.	Activity	Deadline	Competence
1.	Adoption of the Action Plan	DD.MM.YYYY	Mayor
2.	Analysis of the legal framework and harmonisation of the LSU acts		Property – Legal Department, Head of Administration
3.	The concept of authority assignment		
4.	Collection of data for the inventory		
5.

Activity	1	2	3	4	5	6	7	8	9	10	11	12	Competent body
1. Adoption of the Action Plan													Municipal/Town Council
2. The concept of assignment of competences													Property - Legal Department, Head of Administration
3.

The implementation of the Action Plan should be coordinated by the Working Team/Group until the assignment of competences for the LSU property management.

II. Legal Framework and Definition of Competences

3. Analysis of Laws and By-Laws

The establishment of the competence of local self-government unit in the field of property management should be preceded by an analysis of the provisions of relevant laws and by-laws relating to that field.

A comprehensive and full review of this issue must be based on the analysis of:

- ✓ *Constitution of the Republic of Serbia* (Official Gazette of the Republic of Serbia, No. 98/06)

Article 12 of the Constitution of the Republic of Serbia defines local self-government as the right of citizens restricting government power, and this right is subject only to supervision of constitutionality and legality. This is one of the main conditions for government decentralisation, but also democratisation of the society as a whole. The Constitution also provided the basis for legal regulation of state property and the property of local self-government units and Article 87 stipulates that the property of local self-government units and the manner of its use and disposal are regulated by the law.

- ✓ *Law on Local Self-Government* (Official Gazette of the Republic of Serbia, No. 129/07)

In accordance with the Constitution, Article 15 of the Law on Local Self-Government defines that the local self-government unit possesses its own property that is independently managed by the bodies of the local self-government unit, in accordance with the law. Regulating the competences of the municipality, in Article 20, the Law defines the competence of the municipality to manage the municipal property and use state-owned assets and take care of their maintenance and enhancement.

- ✓ *Law on Public Property* (Official Gazette of the Republic of Serbia, No. 72/11)

The Law recognises three forms of public ownership: the right of public ownership of the Republic of Serbia – state ownership, the right of ownership of autonomous province – provincial ownership and the right of ownership of local self-government unit – municipal or town ownership. The Law establishes the procedure of transferring state ownership over specific property of the Republic of Serbia to the ownership of local self-government unit, which is the precondition for establishment and exercise of the latter's rights of ownership.

- The Law stipulates that, inter alia, the assets used by the bodies and organisations of local self-government unit or institutions and other organisations founded by the local self-government unit are publicly owned.
- Public property title holders are also municipalities and towns, while the town municipality has the right of use over the assets owned by the Town of which it is a part, and the Town Statute may provide for the town municipality to have the right of public ownership over movable and real property necessary for the work of the bodies of the town municipality.
- Local communities have the right of use over the assets publicly owned by the local self-government unit in accordance with the law and regulation or other act of the local self-government unit.

- Users of publicly owned assets are, inter alia, the bodies and organisations of the local self-government unit, as well as public enterprises founded by the local self-government unit, based on the agreement concluded based on the act of the competent body, which did not transfer the property to that public enterprise or corporation.

When it comes to acquiring the right of public ownership over property, the Law stipulates that this right is acquired by registration of the right of public ownership in the Public Register of Property and Rights over Property, and the application, pursuant to the provisions of the Law, is submitted by local self-government units **within three years from the day of entry into force of the Law.**

If the application for registration of the right of public ownership for a specific property is not submitted within three years, the competent Real Estate Cadastre Office will perform *ex officio* registration of the right of public ownership of the Republic of Serbia over that property, while keeping the existing registration of the right of use and the user.

If the local self-government unit fails to submit the application for registration of the right of public ownership within the statutory time limit, the body competent for registration of rights over property will perform *ex officio* deletion of the right of use and the user within 10 years from the day of entry into force of this Law. It should be noted that Article 82 paragraph 3 of the Law on Public Property stipulates that **public enterprises or corporations, as well as their subsidiary corporations, must submit the application for registration of the right of ownership within two years from the day of entry into force of this Law.**

The establishment of the integral function and relevant procedures in the field of property management should also be based on the analysis of the provisions of the following laws:

- ✓ Law on Local Self-Government Financing (Official Gazette of the Republic of Serbia, Nos. 62/06 and 77/11)
- ✓ Law on Planning and Construction (Official Gazette of the Republic of Serbia, No. 72/09)
- ✓ Law on State Survey and Cadastre (Official Gazette of the Republic of Serbia, Nos. 72/09 and 18/10)
- ✓ Law on Property Owned by the Republic of Serbia (Official Gazette of the Republic of Serbia, Nos. 53/95, 3/96, 54/96, 32/97 and 101/05)
- ✓ Housing Law (Official Gazette of the Republic of Serbia, Nos. 50/92, 76/92, 84/92-corr., 33/93, 53/93, 67/93, 46/94, 47/94-corr., 48/94, 44/95-oth.law, 49/95, 16/97, 46/98, 26/01, 101/05-oth. law and 99/11)
- ✓ Law on Social Housing (Official Gazette of the Republic of Serbia, No. 72/09)
- ✓ Law on Restitution of Property to Churches and Religious Communities (Official Gazette of the Republic of Serbia, No. 42/06)
- ✓ Law on Restitution of Confiscated Property and Compensation (Official Gazette of the Republic of Serbia, No. 72/11).

In addition to the above laws, a series of by-laws are in force as well, for example, the Decree on the Conditions, Criteria and Manner of Exercising the Right to the Conversion of

the Right of Use into the Right of Ownership Subject of Payment of a Fee and on the Manner of Determining the Market Value of Construction Land and the Amount of Fee for the Conversion of the Right of Use into the Right of Ownership Subject to a Fee (Official Gazette of the Republic of Serbia, No. 67/11), because the significance and importance of this by-law for regulating the field of property management at the local self-government unit level are comparable to those of the laws.

The recently adopted Decree on the Conditions of Acquisition and Disposal of Property by Direct Negotiation, Leasing Publicly Owned Assets and the Procedures of Public Tender and Collection of Written Bids (Official Gazette of the Republic of Serbia, No. 24/12), which was adopted pursuant to Article 35 of the Law on Public Property, is very important as well. The Decree regulates the conditions of acquisition and disposal of property and leasing the assets of the holder of public ownership right in the procedure of public tender or collection of written bids, as well as the conditions and procedure of acquisition and disposal of property and leasing publicly owned assets of the holder of public ownership right by direct negotiation.

The Decree on the Conditions and Manner Under Which the Local Self-Government Unit May Dispose of or Lease Construction Land at a Price Lower than the Market Price or Lease or Free of Charge (Official Gazette of the RS, No. 13/2010) should also be taken into account.

4. Analysis of Legal Framework at the LSU Level

The analysis of the legal and regulatory framework relating to property management at the local self-government unit level relates primarily to:

- ✓ The municipal/town statute, the decision on the organisation of the municipal/town administration
Pursuant to the provisions of the Law on Public Property, the municipal/town statute should also contain the provisions on public ownership and the right of ownership of the local self-government unit – municipal or town ownership, on the competences of the local self-government unit in the field of property management, on the competence of each body of the local self-government unit in that field: the assembly, the executive bodies of the local self-government unit but also the municipal/town administration as a special body of the local self-government unit, on the right of public ownership of town municipality (where their existence is regulated by the town statute) and other.
- ✓ The regulation on internal organisation and job classification in the municipal/town administration
The regulation, from the aspect of the provisions of the Law on Public Property, should also contain provisions on jobs with tasks arising from the entry into force of new provisions in the field of local self-government unit property management.
- ✓ Other decisions relating to the field of local self-government unit property management and concerning the acquisition and disposal, zoning, leasing business premises, apartments and similar.

The legal and regulatory framework is undoubtedly completed by a series of so-called “sectoral” legal acts whose names reflect the specificity of each individual local self-government unit:

- Decision on Construction Land
- Decision on Determining the Land Improvement Fee (which also regulates the zoning of urban construction land)
- Decision on Local Municipal Fees
- Decision on the Level of the Property Tax Rate
- Decision on Leasing and Granting the Use of Business Premises Owned by the Municipality/Town and similar.

5. Draft Concept of Assignment of Competences to LSU bodies

The Law on Public Property provides for a set of powers to “the competent body of local self-government unit”, granting at the same time full freedom to local self-government units to decide by themselves, through their acts, on the assignment of certain competences that arise from the law. In this regard, a concept should be designed and defined that would regulate the issue of assigning competences to bodies of local self-government units.

Recommendations:

- ✓ *The following competences, inter alia, should be delegated to the Assembly of the local self-government unit, as the highest body that performs basic local government functions determined by the Constitution, the law and the statute;*
 - *adopting decisions on the acquisition, use and disposal of assets publicly owned by the local self-government unit and on the disposal of property,*
 - *regulating the use of business premises managed by it,*
 - *setting the amount of the fee for the use of business premises*
 - *supervision of the use of business premises*
 - *setting the criteria and procedures for leasing and purchasing apartments*
 - *granting housing loans to employees in the local self-government bodies*
 - *prescribing the amount of rent for the use of apartments, residential buildings and garages.*

In addition, the authority to perform supervision of the implementation of the provisions of the law and by-laws adopted based on it on the acquisition, use, management and disposal of assets owned by local self-government unit should be delegated to the Assembly, with the latter having the right of direct access to the records and documents on the acquisition, use, management and disposal of assets owned by the local self-government unit.

- ✓ *The following competences should be delegated to the Mayor, as the executive body of the municipality/town who, inter alia, performs other activities determined by the statute and other acts of the municipality/town:*
 - *deciding on the conclusion of agreements on acquisition, disposal, use and lease*
 - *deciding on the allocation of official buildings and business premises owned by the municipality/town.*

- ✓ *The authority of the municipal/town administration, as a body that prepares draft regulations and other acts to be adopted by the Assembly of the municipality/town, the Mayor and the Municipal/Town Council, should be additionally reinforced by the following competences:*
 - *preparation of acts on the acquisition, use, management and disposal of assets used by the bodies of the municipality/town*
 - *keeping unified records of the property owned by the municipality/town in accordance with the law, the by-law and the decision of the Assembly of the municipality/town.*

6. Bringing Legal Acts into Compliance with Relevant Laws

A good and in-depth analysis of the legal framework at the local self-government level should essentially serve as a good basis for preparing a set of decisions of the municipality/town for property management, including a plan of acquisition and disposal of property and an amendment to the public procurement plan relating to maintenance and investment, which should lead to an increase in the value of property of local self-government unit.

When it comes to statutes as the highest legal acts at the local self-government unit level, they were mostly prepared according to a model, in a “standardised” manner, in the period of bringing them into compliance with the provisions of the Law on Local Self-Government, and most often they already include the basic provisions on the competences in property management, so, in most of the statutes, one general provision is most often used under which the municipality/town possesses its own property that, in accordance with the law, is independently managed and disposed of by the bodies of the local self-government unit. In addition, there are the provisions on the competence of local self-government unit and its individual bodies.

Recommendations:

*In order to establish effective property management, the **statute** of the municipality/town should be fully brought into compliance with the provisions of the Law on Public Property and, above all, supplemented with the provisions that would:*

- *define public ownership*
- *regulate the competences of individual local self-government bodies – the Assembly, the Mayor, and the municipal/town administration,*
- *delegate the supervision of implementation of the provisions of the law and the by-laws adopted based on it on the acquisition, use, management and disposal of assets owned by local self-government unit*
- *define the competences of town municipalities (if institutionalised) in the field of property management*

The Decision on the Organisation of Municipal/Town Administration should be brought into compliance with the law and the statute and improved regarding:

- *the competence of certain organisational units of administration with the relevant provisions defining the responsibility to keep records of the book value of property*
- *responsibility in the preparation of acts relating to property management*
- *responsibility to keep unified records of the property owned by the local self-government unit and other.*

The Regulation on Internal Organisation and Job Classification should be brought into compliance with the provisions of the law, the statute and the Decision on the Organisation of Administration for the purpose of normative definition of the activities of act preparation and keeping unified records of the property owned by the local self-government unit etc.:

- *organisational positioning of the property management function of the local self-government unit*
- *definition of activities and personnel needs and requirements*

*A complete regulation of the property management issues requires adopting **new, additional acts**¹ at the level of most local self-government units, which would supplement the existing legal framework for property management:*

- *Decision on the Manner and Procedure of Allotting Apartments Publicly Owned by the Municipality/Town*
- *Decision on the Use, Maintenance and Management of Property Publicly Owned by the Municipality/Town*
- *Regulation on Determining the Book Value of Publicly Owned Property, which is necessary to define the portfolio and adopt decisions in the field of property management of local self-government unit*

In the domain of narrowly specialised, “sectoral” decisions, which also should be adopted in the local self-government units that have the conditions to do so, the Decision on the Geographic Information System (GIS) of the municipality/town and the Agreement on Data Changing and Updating are of special significance, but also some other decisions that are related to the implementation of the GIS at the local self-government level.

III. Organisation and Division of Competences

7. Assignment of Competences to the Organisational Unit

When we talk about forming an organisational unit and assigning competences to it, here we primarily mean the possibility of forming a special property management unit within the municipal/town administration or forming special working teams composed of the existing employees, which is a less desirable solution.

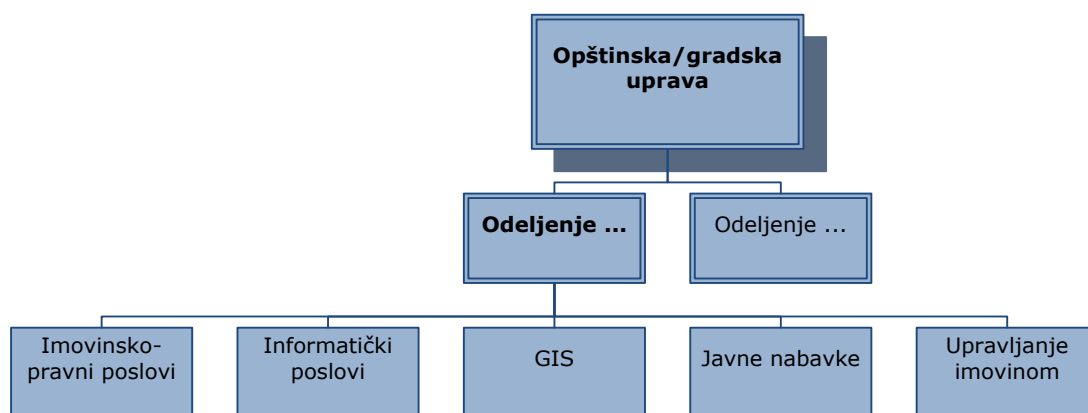
Forming a special internal organisational unit for property management of local self-government unit of the level and rank of section or group of tasks is the basic condition for a modern and up-to-date concept of municipal/town administration and efficient management of property of the

¹ Act models are given in Annex 1.

local self-government unit. Such a unit, performing professional, administrative and technical activities in the field of property management, should successfully implement complex procedures of modern management of local self-government property that would enable the achievement of goals of budget revenue increase and expenditure decrease, stimulation of local economic development, improvement of investment and business conditions, as well as a greater responsibility and transparency of the local self-government unit in property management.

Recommendation:

There is, naturally, also a dilemma as to where the property management unit would be positioned in the existing organisation of the municipal/town administration. An optimal concept would be to form the property management unit together with specialised organisational units dealing with property and legal affairs, IT service, GIS centre and public procurement, due to unavoidable interdependence and functional interconnection.



Municipal/Town Administration / Department... / Department... /
Property and Legal Affairs / IT Affairs / GIS / Public Procurement / Property Management

The following tasks, inter alia, should be delegated to the unit for management of local self-government property:

- *Inventory of the local self-government property*
- *Creating and continuously updating the database*
- *Keeping unified records of the property owned by the municipality/town*
- *Keeping records of the book value of the property of the municipality/town*
- *Defining the property portfolio*
- *Preparing the acts on the acquisition, use, management and disposal of assets used by the municipal/town bodies*
- *Other tasks in accordance with the law, by-laws and decisions of the Assembly of the municipality/town.*

8. Defining the Procedures for the Cooperation Between Organisational Units of Administration

The Decision on the Organisation of Municipal/Town Administration, inter alia, regulates the activities, organisation and competences of the administration. This means that precisely such an act should specify the procedures of cooperation between the organisational units of the administration.

The proposed concept of administration organisation in the area of management of local self-government property, according to which a special property management unit within the municipal/town administration would be engaged in these activities, does not mean that it alone would be engaged in these activities. The area of property management is complex and necessarily involves coordination of action of several organisational units of administration. In addition to the Decision on the Organisation of Municipal/Town Administration, the Regulation on Internal Organisation and Job Classification is also a very important act in the organisational and personnel aspect of management of local self-government property. It should clearly define in the normative sense the activities in this field, make a clear demarcation between them, avoiding any problems that may arise due to omitting or overlapping or intertwining of actions, while simultaneously establishing good cooperation between the individual segments of the system.

The fact is that the public procurement activities and property management activities have many points in common, particularly in the situations when a Plan of Disposal, Acquisition or Exchange of Property, Leasing, Planning the Reconstruction, Adaptation, Rehabilitation or Current Maintenance of Certain Property should be proposed and implemented. The situation is the same when it comes to the relations with the Property and Legal Affairs. IT Service and GIS Centre closely cooperate and are completely interdependent, and without strong coordination of these units it is not possible to achieve the objectives of successful management of local self-government property.

Cooperation is also necessary outside the municipal/town administration, primarily with public enterprises and institutions in the territory of the municipality/town. For example, the introduction and use of the GIS creates conditions for exchanging the data of local public and utility enterprises, public state-owned enterprises, municipal/town administration, as well as other public services in the territory of local self-government unit, which contributes to the coordination of activities in managing, maintaining and planning utility systems, using the resources available to the municipality/town, leading to general development of the local community. The target group of this information system includes management structures, employees in municipal/town administration, local public and utility enterprises and public enterprises at the republican level. The end users of the GIS are representatives of the business community – potential investors and citizens.

Recommendation:

Although not often the case, it would be good to define the principles and procedures of cooperation in property management activities with an appropriate agreement that would contain the competences of and correlations/relations between all participants in the property management process. Such an agreement would contribute to the efficiency and

effectiveness of all activities and procedures in the field of property management of local self-government units.

9. Analysis of Personnel Needs and Available Resources

In the process of analysing personnel needs and available resources, the current situation of employees in municipal/town administration should be professionally reviewed, taking into account their skill structure and employment level. Such an analysis should be made by the Human Resource Management Unit within the municipal/town administration, which is professionally trained for this. In this, it should be borne in mind that personnel are the main factor of a modern business system and that management is the ability to get the job done through people.

In order to make a quality plan of personnel needs, the following questions should be answered:

- What types of activities should the property management unit perform?
- What knowledge, skills and abilities are necessary for the implementation of these activities?
- How many employees are needed for the performance of these activities?
- How can the necessary personnel be provided?

10. Provision of Necessary Personnel

The personnel necessary for the activities in the field of property management should be provided based on the adopted decisions on the organisation of municipal/town administration and regulations on internal organisation and job classification, especially in the part regulating posts and activities and tasks of the property management unit, in accordance with the analysis of personnel needs and available resources.

Recommendation:

The concept according to which the property management unit would be formed so that it would consist of lower level organisational units dealing with property and legal affairs, IT service, GIS centre and public procurement, implies that these activities are performed primarily by:

- *Bachelors of Laws*
- *Bachelors of Science in Economics*
- *Bachelors of Science in Civil Engineering²*

The number and structure of employees would depend on the size and number of the population, as well as on the estimate of the expected volume of work for each municipality/town in the field of property management.

Smaller local self-government units as well, as those with insufficient budget, will have particular difficulties in providing necessary personnel.

² Job descriptions are given in Annex 2.

A particular limiting factor is still the restrictive Law on Determining the Maximum Number of Employees in Local Administration (Official Gazette of the Republic of Serbia, No. 104/09), whose provisions still apply, preventing most of the local self-government units from providing necessary and quality personnel.

11. Defining the Training Programme for Employees and Officials

Property management activities require an appropriate training of personnel, and this applies to both employees and those managing the LSU administration.

Given the different professions specified as a condition for performing the activities in the field of property management (see Step 10), additional training at the LSU level should also be harmonised with this structure, as well as with the demands of the job itself.

The programme of training personnel and officials in property management activities should be a part of an annual training programme adopted at the LSU level upon the proposal of the service in charge of human resource management and development.

Recommendation:

Depending on immediate duties, in addition to basic professional knowledge, employees in the field of property management, as well as LSU officials should possess the following knowledge and skills:

- *Knowledge of the principles and methodology of property management*
- *Knowledge of the relevant legislative and legal framework*
- *Familiarity with the existing experience and practice in the field of property management*
- *IT skills*
 - *Computer literacy*
 - *Knowledge of the principles of work with databases*
- *Teamwork and communication skills*

Depending on the specific conditions in the LSU, the required knowledge and skills may be extended or reduced, taking into account the effectiveness and expected effects of the training programmes.

12. Analysis of Available IT Resources and Real Needs

Identification or analysis of IT resources and real needs in the field of property management should be the basis for establishing an efficient system of data collection and processing, information use and mutual coordination between all participants in this process.

The analysis of the situation should determine:

- Existence of IT equipment at the LSU level (number of computers, networks, type of software used and similar)
- Utilisation of IT equipment and software

The needs analysis should determine:

- the structure of functions and their vertical and horizontal links, as well as the needs for information as perceived by managers and operational staff (interviews)
- the number and type of input/output documents and their flow within the document management system
- the number of system users, their rights, accesses, reports, etc.

The analysis of the situation and needs should allow the identification of optimal solutions for IT support to the property management function and whether the existing resources may be adequately used for property management activities as well or whether different solutions are needed (capacity increase, new equipment or similar)

The analysis of the situation may be conducted independently within the LSU through the cooperation between those in charge of IT support and property management, or this job may be outsourced to a competent organisation or expert due to a lack of IT experts in the LSU.

13. Provision of Necessary IT Infrastructure

An ideal solution, when it comes to IT support to the activities and procedures at the LSU level, is the establishment of a unified information system and the existence or development of unified computer, network and communication equipment – a recent-generation server and personal computers, scanners, printers, a manageable network and communication environment, equipment power supply protection and online data protection as well as a possibility to communicate with the environment via the internet.

Objectively, most LSUs are unable to establish and develop a unified information system, so they are oriented towards partial solutions for individual tasks and functions (separate computers/servers and software for budget, urban planning, public procurement, local tax administration etc.) and will probably do so for property management activities as well.

R e c o m m e n d a t i o n :

When providing necessary IT support to property management activities, it is necessary, first of all, to have in mind the unenviable level of records of the property publicly owned by LSUs.

Successful property management at the LSU level, in accordance with the Law on Public Property, requires the establishment of up-to-date records of that property, and the existing records are mostly incomplete, out-of-date and often in analogue form.

This means that ideal IT solutions are not required at the very beginning of the process but only:

- *an appropriate number (depending on the LSU size and volume of property) of computers/servers*
- *a database for entering all relevant information on each unit of property owned by the LSU and*
- *a possibility for networking and data exchange*

In this way, preconditions will be provided for efficient entry and use of data on property in the process of inventory and registration of that property in the property register.

IV. Organising the Inventory of Property

14. Collection of Legal Documents

Collection of legal documents on the property of local self-government unit and primarily the data on real property is an extensive and complex process and it will certainly be a lengthy process as well in some municipalities and towns, which depends on many factors, such as, for example, the number of properties, whether they are registered or not, whether they are all registered for legalisation, whether all property and legal relations are resolved, whether there is evidence of legal continuity and similar.

In order to collect legal documents successfully, it is useful to remind ourselves what ownership is. Ownership, and hence public ownership, is physical and legal authority over assets. Acquisition of ownership means the legal facts that are recognised by the objective law as the basis for acquiring ownership.

When it comes to collecting legal documents for the inventory and registration of property, a question arises as to where to start from.

First of all, the appropriate provisions of the current laws listed in Step 3 (Law on Local Self-Government Financing, Law on Planning and Construction, Law on State Survey and Cadastre, Law on Property Owned by the Republic of Serbia, Housing Law) should be taken into account as well as other laws for which the need arises in a certain situation.

In order to clarify certain disputable legal situations, it will also be necessary to obtain and study the laws as well as by-laws that ceased to apply, because this is the only way to resolve successfully certain property and legal relations and determine:

- the legal basis of acquisition
- the legal continuity between the previous property owner or the one who, for example, built the property and the local self-government unit
- other disputable or unknown facts.

But, before all, we should start from the Law on Property Owned by the Republic of Serbia and the Law on Public Property. Why from the Law on Property Owned by the Republic of Serbia that ceased to apply? Because the Law on Public Property took over the term “user” and the term “right to use” and because the title holder and the user right, i.e. the right to use, was registered with competent Real Estate Cadastre Offices, which should be taken into account when collecting data on property from the competent Real Estate Cadastre Office. The following should be taken into account for the purposes of collecting legal documents:

Public property title holders - Pursuant to Article 18 paragraph 1 of the Law on Public Property, it is stipulated that *local self-government units are public property title holders*.

Property users - Pursuant to Article 19 of the Law on Public Property, users of public property are:

- bodies and organisations of local self-government unit,
- public enterprises
- corporations founded by the local self-government unit
- subsidiary companies, based on the agreement concluded based on the act of the competent body, which did not transfer the property to that public enterprise or corporation.

LSU bodies and organisations are users of the property intended for the exercise of their competences, as well as the property whose purpose is to generate income from a lease or the right to use (so-called **commercial property** – business premises, apartments, garages, garage places and other).

It should be especially pointed out that, pursuant to Article 45 of the Law on Public Property, any public enterprise or corporation founded by the local self-government unit that, on the day of entry into force of this law, have the right to use state-owned property acquire the right of ownership of that property in accordance with the provisions of Articles 42, 43 and 72 of this Law.

The registration of the right of ownership of the property of public enterprises may only be made together with appropriate changes in the founding act or statute relating to changes in equity and interests, changes in business records and registration in the Business Register.

It should be noted that the right of ownership of so-called commercial property that the local self-government unit cannot be transferred to public enterprises.

Right of use over property - Pursuant to Article 18 paragraph 2 of the Law on Public Property, the following have the right of use:

- institutions and public agencies and other organisations founded by the local self-government unit and not having the status of LSU body or of public enterprise,
- town municipalities
- local communities and other forms of local community self-government.

Submission of property records - Taking into account the above provisions of the Law on Public Property, as well as Article 1 of the Law on Property Owned by the Republic of Serbia, in the procedure of collecting legal documents and data, the competent services of municipal and town administrations, public enterprises and public services, local communities and town municipalities need to submit their property records that contain data on the number of cadastral plot and its area, the type of the structure and its area, whether the structure is above or below ground, as well as other relevant data.

In addition, the above-mentioned legal entities also need to submit certain documents as the basis for acquisition or at least information on documents for each property listed in the records, based on which documents could be looked for in municipal or town historical archives or in the archives of municipal or town administrations.

Resolving property and legal relations with higher government levels – In the process of property inventory and registration in the Real Estate Cadastre, there certainly are properties and, in particular, structures that were built by local self-government units using their own funds and

that are registered as state property of the Republic of Serbia. Different situations are possible, such as, for example:

- A structure built using the funds of the local self-government unit and used by a government body or organisation,
- A structure built using the funds of the local self-government unit and later extended using the funds of the Republic of Serbia and vice versa,
- A structure co-funded by the local self-government unit and the Republic of Serbia, the competent Ministry, or from the budget of the Republic of Serbia, the funds such as the National Investment Plan (NIP),
- Structures financed from the funds of local voluntary taxes and from the budget of the local self-government unit,
- Structures funded in other way stipulated by the law.

The above structures as well as the structures funded or acquired in other way stipulated by the laws that applied in the particular period and were the basis for acquiring state-owned and socially-owned property should be identified, appropriate legal, financial and technical documents should be obtained and their status should be resolved in accordance with positive legal regulations with the involvement of the competent bodies of local self-government units and government bodies.

Collecting data from the Real Estate Cadastre Office – The data on the legal status of property should also be collected from the competent Real Estate Cadastre Office as needed.

The Real Estate Cadastre Office may be requested to provide data relating to the legal status of property and the status of registration in the Real Estate Cadastre.

The status in the Real Estate Cadastre may be obtained by:

- access through the KnWeb application on the website of the Republic Geodetic Authority
- submitting a request for issuance of real estate folio
- direct access to the records
- submitting a request for issuance of certificate on the history of changes in property
- getting oral information and explanations from employees of Real Estate Cadastre Offices.

Step 30 of this Manual lists the legal documents that need to be submitted to the Real Estate Cadastre Office together with the application for property registration in the Real Estate Cadastre.

15. Collection of Technical Documents

Collection of technical documents is also a very important phase in the process of inventory and registration of property of local self-government unit with the competent Real Estate Cadastre Office.

Obtaining the technical and, above all, design documents, together with the decision on construction and the decision on use of structures is the basis for registration in the Real Estate Cadastre in the situations when the builder of the aboveground or underground structure is a local self-government unit, public enterprise and public institution, local community or other legal entity or their legal predecessor.

When it comes to legal predecessors, such as self-managing communities of interest, funds or other forms of social organisation in a particular post-war period, it is worth reminding that, since World War II until recently, all property was state-owned, then socially-owned and, since 1996, state-owned again.

Structure Age Certificate

In the process of property inventory, it should be taken into account that a number of structures were built before or immediately after World War II and that it is very important to determine the time of construction of the structure.

When it comes to older structures, it should particularly be taken into account that the following are also considered as structures built in accordance with regulations:

- structures in towns and urban settlements built until 3 June 1948, when the Basic Decree on Construction came into force (Official Gazette of FPRY, No. 46/48);
- residential buildings built in rural areas until 21 March 1961, when the Law on the Conditions for the Construction of Residential Buildings in Rural Areas came into force (Official Gazette of PRS, No. 7/61) or until the entry into force of the regulations on the conditions for the construction of residential buildings, if the Municipal People's Committees adopted them within the time limit stipulated by this Law and
- other types of structures built in rural areas until 8 July 1973, when the Law on the Construction of Capital Projects came into force (Official Gazette of SRS, No. 25/73) or until the entry into force of the municipal or town decision if it was made within the time limit stipulated by this Law.

The implementation of the above laws is very important to municipal and town administrations in the procedure of issuing the Structure Age Certificate.

If it is determined that the structures were built before the adoption of the above regulations, then it is not necessary to obtain a building permit or inspection certificate for such structures.

The Structure Age Certificate is issued by the organisational unit of municipal or town administration in charge of urban planning and construction based on a request with the following evidences enclosed:

- Real estate folio for the cadastral plot on which the structure is built, together with a copy of the cadastral plot plan on which the structure is plotted,
- Certificates of the competent Real Estate Cadastre Office of the Republic Geodetic Authority with the information as to when the structure was first surveyed,
- Findings of a civil engineering expert.

Structure Legalisation

During the past decades, not only the citizens and businesses, but also municipalities and towns and public enterprises and institutions founded by them built, extended or reconstructed buildings, apartments, roads and streets, squares, infrastructural facilities as well as other property – illegally and without resolved property and legal relations, design documents, building permit or inspection certificate.

Articles 185 to 200 in Chapter XIII of the Law on Planning and Construction regulate the issues relating to the legalisation of structures.

Legalisation, within the meaning of this Law, is a subsequent issuance of building permit and inspection certificate for a structure or parts of a structure built or reconstructed without a building permit.

For the structures that are used, or the construction of which was completed without a building permit or without a construction approval and approved final design, and that meet the stipulated conditions for construction and use, the building permit and inspection certificate may be issued with a single decision.

The legalisation procedure is initiated at the request of the owner of illegally built structure or a part of it, and this means that local self-government units as well as public enterprises and institutions had the obligation to submit applications for legalisation of the structures they had built or that they had been given to use them as such.

The legalisation application must be submitted within six months from the day of entry into force of the Law on Planning and Construction.

It should be noted that Article 191 of the Law on Planning and Construction stipulates that the following must be submitted together with the application for subsequent issuance of a building permit for structures built using the funds of the LSU budget or funds of legal entities founded by the local self-government unit:

- report on expert analysis of technical quality and the fulfilment of conditions for the use of the structure, including a specification of separate physical parts,
- geodetic survey of the structure on a copy of the plot plan, showing the gross developed construction area in the base of the structure.

If the structures are not used for the purposes of local self-government or if they are not used in the exercising of its competences or the activities of public enterprise or other legal entity founded by the local self-government unit, the evidence of resolved property and legal relations as well as the evidence of regulation of mutual relations with the body or organisation that develops the construction land must be submitted in addition to the above evidences.

The following will also be considered as evidence of resolved property and legal relations concerning the construction land:

- A final court decision determining the right of ownership of the land, obtained by the owner in accordance with the regulations on property relations (for structure built on construction land owned by other person)
- A contract on transfer of the right of use or purchase of the land, concluded between the then land user and the applicant and certified by the competent court, as well as all other legal transactions based on which the applicant acquired the right of possession of the land (for a structure built on the construction land)
- A contract on the purchase of a structure or purchase of a structure under construction between the land owner or user and the applicant, certified by the competent court
- A contract on co-funding the construction of a structure concluded between the land owner or user and the applicant, certified by the competent court;
- A contract on purchase of an apartment in a building built on publicly owned land, as well as all other legal transactions based on which the legal continuity of transactions

concerning the land, the structure or a separate part of the structure may be undoubtedly determined;

- A final decision on inheritance;
- A final decision on status change of a company from which legal continuity of the applicant may be indisputably determined.

When the subject of legalisation is a structure built on construction land jointly owned or jointly used by several persons, a written court-certified consent of all joint owners or joint users of the construction land must be submitted in addition to the evidence of resolved property and legal relations of the applicant.

16. Determining the Revalued Book Value of Property

Book value of LSU property is the information that may be questionable, because LSUs mostly did not revalue these values during the long period in which the Republic was the owner while the municipalities/towns only used this property. Therefore, the book value of property has a limited significance in the process of making rational decisions in property management.

Book values are calculated at cost of acquisition or construction less depreciation calculated according to a specific formula.

Accounting practices may also include occasional adjustment of initial construction costs to inflation. However, this also fails to ensure the adjustment of the book value of property to the current market value unless it was determined in the recent past. The book value does not include the estimate of property life span, either.

R e c o m m e n d a t i o n

Local self-government units should conduct the process of revaluing the book value of the property owned by them and thus make their balance sheets more realistic, using the methodologies appropriate for the type and purpose of the property (buildings, apartments, garages, squares, roads, cultural monuments, construction land or agricultural land, etc.).

The body in charge of public finance should prescribe a single methodology in order to ensure that different revaluation methodologies would not result in large differences or incomparability of data.

17. Determining the Market Value of Property

The determination (estimate) of market value of property is somewhat simpler than the determination of its real book value, but it is only an estimate and it cannot guarantee full correspondence with the real value that may only be determined in the market.

Different methodologies for estimating market value may be used from the existing practice and literature in this field, such as, for example:

- Cost approach, based on the estimates of trade costs. This approach to market value of land adds estimated construction costs (including architectural and other “soft” costs). This approach often determines the upper limit of value because, if other approaches show a higher value, more property units will be built at lower prices until a balance is reached.
- Sales comparison approach. It simply answers the question: “At what price were similar property units sold when they were offered in the market?”

The estimate is a value appraisal and not a precise determination of it, because it is based on all relevant data. The estimate is more realistic if it is based on multiple regression methods to value estimate.

The estimate of the market value of LSU property is a complex procedure that must be conducted in order to identify the real value of property owned by LSU and that should be kept in the relevant property portfolio. The value estimate of specific categories of property should particularly be taken into account, such as roads, networks and similar, because it requires new approach and a certain expertise of appraisers.

Recommendation

For the purpose of realistic value estimate of property, the LSU should form an expert body (working group, committee or similar), which will estimate the value of each property unit owned by the LSU based on the relevant methodology in order to provide necessary input information for making optimal decisions in the property management process.

If the LSU does not have adequate capacities for property value estimate, it is worth noting that the Law on State Survey and Cadastre (Off. Gazette, No. 72/09) prescribes, in Articles 149 to 152, the procedure of property value estimate – mass and individual.

The possibility of engaging relevant external organisations or experts should be considered as well.

18. Harmonisation of Accounting Records and Sources of Funding

Within the process of collecting, verifying and analysing the data on LSU property, relevant financial documents should also be collected on:

- Source(s) of funding
- Payment method
- Liabilities settled
- Other forms of procurement (exchange, gift, barter and similar)
- Maintenance costs, etc.

The data from financial documents may be of significance for:

- Proving ownership in the procedure of registration of public property owned by LSU
- The procedure of revaluing the book value and
- Estimating the market value of property.

The collection of relevant financial documents is especially significant for the process of determining the value of specific public property such as:

- Squares and streets
- Roads within the competence of LSU
- Networks

Organised financial documents may considerably facilitate the task of taking the inventory of property owned by local self-government units.

19. Collection of Data on Physical Condition of Property

A very serious issue, not only in the inventory phase, but also later, in the process of management, use and disposal of property, is also the lack of data on the physical condition of property publicly owned by local self-government units.

The estimate is that there are no exact data on the physical condition of more than half the property units that are or will be publicly owned by local self-government units.

This means that there is also no priced bill of quantities for the works that should be planned in the budget of the town or municipality in order to adopt annual public procurement plans that would provide funds for specific works – reconstruction, rehabilitation, adaptation, demolition, enlargement, extension or current maintenance of certain property.

The analysis of physical condition of property and the planning of works that should be undertaken would lead to numerous positive effects, primarily economic, financial, social and political effects.

Economic: Reduction of costs and liabilities burdening the property; reduction of local taxes, fees and charges; more favourable conditions for attracting investment and business and more dynamic local economic development and increased competition.

Financial: Increased revenue from the use of property; lower budget deficit; more efficient public finance management.

Social: Greater opportunities for investing funds to meet the needs of citizens, by investing funds in capital projects or social infrastructure; better quality of life of citizens.

Political: Greater responsibility and transparency of local self-government unit in the field of use, management and disposal of property; greater confidence of citizens in the political leadership of local self-government unit.

An analysis of the physical condition of property, an analysis of costs burdening that property, the type and volume of works that should be undertaken to rehabilitate, reconstruct or adapt it and the acquisition of information on the site and on what may be built on that site would have

an impact on making the most effective decision of the competent body of the local self-government unit – as to whether it would perhaps be more rational to demolish the structure and build, using the unit's own funds, a new structure with facilities that are in the function of exercising the competences of the local self-government unit, or whether it is perhaps more rational to build a new structure by means of private-public partnership, by concession granting or to dispose of the property at market conditions.

All of the above listed combinations and analyses are possible if the technical services and the competent body of the local self-government unit possess collected and professionally processed information on urban planning, construction, economic, financial and legal aspects concerning each property publicly owned by the local self-government unit.

Therefore, the collection of data on the physical condition of property is a very important segment of property inventory and management.

R e c o m m e n d a t i o n :

The collection of data on the physical condition of property may be a slow and painstaking task, but there are modern devices of well-known global manufacturers that use GPS, mobile GIS and other sophisticated technologies.

With the modern devices and software solutions they use, it is possible, with the personnel well trained in advance, to collect data on the physical condition of property very quickly and reliably, but also other data relevant for property management. The advantages of such method of data collection are multiple:

- *Satellite location of structures on the ground*
- *Creation of electronic forms*
- *Direct entry of field data*
- *No errors in data copying*
- *Database immediately available on the ground*
- *Integrated cartographic representation*
- *Survey of the physical condition of property*
- *Entry of photographs in mobile GIS*
- *Transfer of field data to the GIS*
- *The results of collected data:*
 - *are obtained immediately*
 - *up-to-date status*
 - *daily database updating*
- *Entry of notes and recommended measures, for example:*
 - *the structure needs rehabilitation, reconstruction or adaptation that requires large financial investment*
 - *the structure close to collapse and it is necessary to demolish it, and similar*

It should be noted that the processed data on property entered in the GIS may also be posted on the website of municipalities and towns, which would be significant for attracting potential investors.

20. Database Creation

The creation of a database on the property owned by LSU is the optimal method of recording, keeping and updating all data and information on each individual property. In this, the use of data is enabled through different types of reports necessary for decision making in the property management process.

In order to set up a database of data on property of the local self-government unit, it is necessary to systematise the data from the available analogue forms and the existing digital records (*if any*) in a table (an Excel spreadsheet), using certain rules of coding and the system of predefining the content of particular attributes in order to create the conditions of unambiguity and standardisation of names – that is, to establish defined forms for entering data. This would facilitate later data modelling, their entry into the database, as well as the definition of reports, searches, sorting, grouping and similar.

Most local self-government units are characterised by the lack of accurate records, at the level of the local self-government unit itself, as well as in the Republic Property Directorate of the Republic of Serbia.

It is necessary to raise promptness to a much higher level, collect the basic data and create conditions for their digitalisation.

Creation of a database on property of the local self-government unit is one of the first and longest processes in setting up an information system for property management and, with the table of accounting indicators, constitutes the basis for digitalisation of this activity.

R e c o m m e n d a t i o n :

The database may be created within the possibly existing IT resources of the LSU:

- *On the available server*
- *By the work of IT experts employed with the LSU in cooperation with the unit in charge of property management.*

If this is not feasible, an off-the-shelf database for property management may be procured in the market of IT and consulting services.

A computer/server with installed database is just an “empty book” in which data on property inventory should be entered in order to provide the basis for the establishment of the integral function of LSU property management.

21. Entering the Data on Property

The data on property collected from available analogue documents and digital records should be entered in specific tables whose content is defined by laws and by-laws and the decisions of the competent bodies of the local self-government unit.

The data should be entered in the tables separately created for each user or holder of the right of use over publicly owned property (public enterprises and corporations, institutions, local communities, town municipalities, as well as other users).

If there is no special software application for keeping records on property, it would be useful and effective to enter the data on property in an Excel spreadsheet that allows data search and reduces the risk of possible data duplication.

Pursuant to Article 64 paragraph 4 and Article 89 of the Law on Public Property, it is stipulated that the Government prescribes with its decree the content and method of keeping records on property, as well as the deadlines for the submission of data and the method of keeping unified records and that these by-laws will be adopted within six months from the day of entry into force of this Law.

Unfortunately, these by-laws have not been adopted yet.

Recommendation:

Taking into account that a lot of time has passed since the adoption of the Law on Public Property and that the property inventory and registration in most of the LSUs is only in their early stages, we should not wait for these by-laws to define the content and method of keeping records.

The data records may be kept with the data systematised in tables, such as, for example:

Table 1 – Inventory of LSU property units³

- Inventory number for each property
- Name of cadastral municipality
- Number of real estate folio and title deed
- Number of cadastral plot
- Property type:
 - building or building complex
 - separate parts of the building
 - construction land (urban construction land, construction land outside the borders of urban construction land, agricultural and forest land)
 - public areas
 - infrastructural facilities
 - other property
- Legal basis for the acquisition of property

³ The data table is given in Annex 3.

- Legal status of property (co-ownership between different public property title holders, between public property title holders and other legal entities and individuals, as well as joint ownership).
- Current purpose of property:
 - building of the local self-government unit,
 - sports facility,
 - cultural facility,
 - residential building,
 - apartment,
 - business premises,
 - street, square, uncategorised road,
 - networks,
 - cemetery,
 - urban, agricultural and forest land,
 - other purposes of property
- Structure area
- Land area
- Condition of property
- The entity with which the property is registered
- Status of restitution

Table 2 – Accounting indicators of the value of property⁴

- Inventory number
- Initial book value
- Amortised book value
- Date of property value estimate
- Estimate of market value of property
- Name of appraiser
- Financial burden on property
- Gross revenue
- Subsidised users
- Note

⁴ The data table is given in Annex 4.

22. Acquiring the Data of the Real Estate Cadastre Office, Public Enterprises and Institutions

Pursuant to Article 76 paragraph 4 of the Law on Public Property, it is prescribed that the user of property must submit a registration application on a prescribed form in the case where the property is not registered with the Property Directorate.

Taking into account this provision of the Law on Public Property, in practice a certain property could also be registered in the Real Estate Cadastre as the right of public ownership of local self-government unit.

Such a situation is possible either in the process of establishment of the Real Estate Cadastre, pursuant to the provisions of the Law on State Survey and Cadastre, or in the process of conversion of the right of use into public ownership over undeveloped and developed state-owned land, pursuant to the provisions of the Law on Planning and Construction.

In the case that certain property is registered as public property of the local self-government unit, local self-government units must submit a request for issuance of real estate folio to the competent Real Estate Cadastre Office in the process of submitting the application for registration of that property with the Republic Property Directorate.

23. Comparative Analysis of Data by Structure (legal, technical, accounting)

Pursuant to Article 64 paragraph 2 of the Law on Public Property, it is prescribed that the bodies of local self-government units must keep separate records on the condition, value and movement of the publicly owned assets they use, in accordance with the law.

The data on property obtained from the competent units of municipal and town administrations, public enterprises and public services, local communities and town municipalities should be analysed and compared with the data of the Real Estate Cadastre Office and finally systematised.

In analysing the obtained data on property, it is possible that the data that these entities have or the data in the documents do not match the data of the Real Estate Cadastre. Different situations are possible, such as the following:

- in the meantime, there was a physical division of the cadastral plot and that it no longer has the sub-number specified in the document,
- the data on the holder of the right of use over the property do not match, because there was a change – the holder of the right of use specified in the document ceased to exist by a decision of the competent body or based on the law, but the change was not recorded,
- the cadastral plot got a new number as a result of establishment of the Real Estate Cadastre.

- the property is not registered in the Real Estate Cadastre either in the process of establishment of the Real Estate Cadastre or later, during its maintenance.

24. Database Updating

The database of property of a local self-government unit, which is used by its bodies and organisations, public enterprises, institutions and agencies as well as other legal entities founded by the municipality or town, should be systematically and continuously added to and updated.

Pursuant to Article 64 of the Law on Public Property, it is prescribed that public enterprises, corporations, subsidiary corporations, institutions or other legal entities founded by local self-government unit must keep separate records on the condition, value and movement of the publicly owned assets they use, in accordance with the law, and submit these data to the competent body of their founder.

It is also prescribed that the bodies of the local self-government unit must submit the data on publicly owned property, as well as the data on the property used by public enterprises, corporations, subsidiary corporations, institutions or other legal entities founded by the local self-government unit to the Republic Property Directorate, which keeps unified records of publicly owned property.

Recommendation:

The one-time property inventory is important for the start of the process of LSU property management, but it is not sufficient. The data on property must be regularly supplemented and updated in order for the information and reports obtained based on them to be a good basis for making optimal decisions in the property management process.

V. Registration of the Right of Public Ownership

25. Preparation of Documents for Registration of the Right of Public Ownership in the Property Register

Pursuant to Article 76 of the Law on Public Property, it is stipulated that the right of public ownership of local self-government unit over property is acquired by registration of the right of public ownership in the Public Register of Property and Rights over Property.

The competent body of the local self-government unit submits an application for registration of the right of public ownership of the local self-government unit to the competent Real Estate Cadastre Office, along with which the following are submitted:

- An extract from the public register in which rights over property are registered or other document proving the right of use or the status of property user
- A certificate of the Republic Property Directorate that an application was submitted for the registration of the property in the unified records of state-owned property.

Taking into account this provision of the Law on Public Property, two legal situations are possible in practice:

- a) A situation where the property of local self-government unit, public enterprises, institutions, local communities, town municipalities and other entities founded by the municipality or town is registered in the Real Estate Cadastre as state property of the Republic of Serbia – user: municipality or town, or as state property of the Republic of Serbia – the right of use: public enterprises, institutions and local communities. In this situation, only the following should be enclosed with the application:
 - an extract from the public register in which rights over property are registered
 - a certificate of the Republic Property Directorate.
- b) A situation where the property of local self-government unit, public enterprises, institutions, local communities, town municipalities and other entities founded by the municipality or town is not registered in the Real Estate Cadastre, where the following should be enclosed with the application:
 - a document proving the right of use or the status of property user and
 - a certificate of the Republic Property Directorate.

Which documents should be submitted?

In this situation, the documents specified in Step 30 of this Manual are submitted.

It should be noted that the documents must be submitted as originals or as photocopies of the original certified as true by the court or municipality.

In the case of court judgements or decisions of competent government bodies – they must have a finality clause (a stamp of the body that passed the judgement or decision, which confirms when the decision became final).

26. Submitting a Request for Obtaining a Certificate of the Republic Property Directorate that an Application was Submitted for the Registration of the Property in the Unified Records of State-Owned Property

We have already pointed out the obligation of the local self-government unit, pursuant to Article 76 paragraphs 3 and 4 of the Law on Public Property, to submit a certificate of the Republic Property Directorate that an application was submitted for the registration of the property in the unified records of state-owned property along with the application for registration of the right of public ownership in the Real Estate Cadastre.

Neither the Law on Public Property nor the Decree on Keeping Records and Taking Inventory of State-Owned Property and Other Assets (Official Gazette of RS, No. 27/96) prescribe the form of the request by which the Property Directorate of the Republic of Serbia is requested to issue a certificate that an application was submitted for the registration of the property in the unified records of state-owned property. No form is necessary because the Directorate accepts any written form of request for the issuance of confirmation that an application was submitted for the registration of the property in the unified records of state-owned property.

If the property is registered and recorded with the Property Directorate of the Republic of Serbia, it is sufficient to address it with a request for the issuance of certificate, stating the data on the property regarding which the certificate is being requested. A certified copy of the NEP form as well as a document or extract from the cadastre should be enclosed with the request.

It is particularly necessary to obtain the certificate in the situation where an application was submitted for the registration of the property with the Property Directorate of the Republic of Serbia but not registered with the competent Real Estate Cadastre Office.

27. Submitting a Registration Application on the Prescribed Form and Obtaining a Certificate from the Republic Property Directorate

In practice, it is possible that local self-government units:

- failed to submit the data on property to the Property Directorate of the Republic of Serbia within the time limits stipulated by the Decree on Keeping Records and Taking Inventory of State-Owned Property and Other Assets (Official Gazette of RS, No. 27/96)
- failed to submit in a timely manner reports on changes in property they use.

Pursuant to the above mentioned Decree on Keeping Records and Taking Inventory of State-Owned Property and Other Assets, the records of property contain:

- Data on the user of property: name, seat, address, business activity
- Data on property: type of property, location of property, its area, structure, cadastral plot, ownership documents, basis for use, source of funding, revalued book value.

The data are presented according to the form NEP – Property Records and submitted to the Republic Property Directorate of the Republic of Serbia.

Although the above mentioned Decree on Keeping Records and Taking Inventory of State-Owned Property and Other Assets was adopted back in 1996, it still applies, pursuant to Article 87 of the Law on Public Property, which stipulates that, until the acquisition of the right of public ownership by local self-government units, all data on the records of publicly owned property are submitted to the Republic Property Directorate, in accordance with the regulations applying on the day of entry into force of this Law. And this means on the NEP form.

This is important to emphasise, considering Article 76 of the Law on Public Property, which stipulates that in the case where the property is not registered with the Property Directorate of the Republic of Serbia, the user of property, meaning local self-government units as well, is obliged to submit a registration application on the prescribed form – the NEP form.

In the case where the property is not registered with the Directorate, the user of property is obliged to submit the registration application on the prescribed form.

The NEP form contains the data specified in the Decree, i.e. the data on:

- the user of property: name, seat, address, business activity;
- the property: type of property, location of property, its area, structure, cadastral plot, ownership documents, basis for use, source of funding, revalued book value.

The application for registration of the right of public ownership of the local self-government unit over property is accepted if the certificate of the Directorate that no application has been submitted for this property in accordance with the Law on Registering and Recording Confiscated Property (Official Gazette of RS, No. 45/05) is submitted together with the application or subsequently to the body in charge of registration.

For the property registered and recorded in accordance with the Law on Registering and Recording Confiscated Property, the application for registration of the right of public ownership of local self-government unit over property is accepted if one of the following two decisions is submitted together with the application or subsequently to the body in charge of registration:

- a decision rejecting the application for restitution of property and compensation;
- a decision determining the right to compensation.

In exceptional cases, if the stipulated conditions are fulfilled for this, the body in charge of registration will allow registration of public property of the autonomous province and the local self-government unit even when one of the above mentioned documents has not been submitted, provided that it may be clearly established from the submitted application and delivered documents that the restitution of the subject property in kind to the previous owner or his/her heir is ruled out according to the law regulating the restitution of confiscated property and compensation.

28. Submission of an Application for Registration of the Right of Public Ownership of the Municipality/Town to the Competent Real Estate Cadastre Office or Other Competent Institution (e.g. abroad)

Pursuant to Article 72 paragraphs 1 and 3 of the Law on Public Property, it is prescribed that the right of public ownership of local self-government unit over real property, movable property and other assets, including any assets abroad, used by the local self-government unit is established under the conditions and in the manner stipulated by this Law.

This means that it is also necessary to submit a request to the Property Directorate on the prescribed form and request issuance of relevant certificate in the case of property located abroad.

The process of registering public property with the competent body that keeps public records of property is carried out in the manner and under the procedure stipulated in the country where the property is located.

A certain number of municipalities and towns in the Republic of Serbia have property abroad as well, particularly in the former Yugoslav republics. These are most often Adriatic Sea summer resorts.

29. Submission of Application to the Competent Real Estate Cadastre Office for Conversion of the Right of Use over Developed and Undeveloped Construction Land Used by Legal Entities Founded by the Municipality/Town

Pursuant to Article 100 of the Law on Planning and Construction, it is stipulated, inter alia, that, on the day of entry into force of this Law, for the local self-government unit that is registered as the holder of the right of use over undeveloped and developed state-owned land in the Public Register of Property and Rights over Property, the right of use over this property terminates and becomes the right of public ownership in favour of the local self-government unit, at no fee.

The Law stipulates that, on the day of entry into force of this Law, for the legal entities founded by the local self-government unit, which are registered as the holders of the right of use over undeveloped and developed state-owned land in the Public Register of Property and Rights over Property, the right of use over this property terminates and becomes the right of public ownership of their founder, at no fee.

The registration of the right of public ownership is performed based on an extract from the Public Register of Property and Rights over Property.

The application for registration of the right of public ownership is submitted by the competent Public Attorney or other person representing the local self-government unit, within one year from the day of entry into force of this Law.

If the application for registration of the right of public ownership is not submitted within one year, the competent body will perform *ex officio* registration of the right of public ownership in favour of the local self-government unit.

Why do we mention this situation as a possible problem?

Because it is possible that some municipalities and towns or municipal and town Public Attorney's Offices and competent Real Estate Cadastre Offices still have not even initiated the process of conversion of the right of use into the right of public ownership, nor has it been done *ex officio* by some Real Estate Cadastre Offices.

30. Submission of an Application to the Real Estate Cadastre Office for Registration of the Right of Public Ownership and Obtaining a Decision

Pursuant to Article 4 of the Law on State Survey and Cadastre (Official Gazette of RS, Nos. 72/09 and 18/10), the Real Estate Cadastre is the main and public register of property and real rights over property.

Property that is registered in the Real Estate Cadastre within the meaning of this Law is the following:

- land (cadastral plots of agricultural, forest, construction and other land);
- aboveground and underground structures;
- separate parts of structures that constitute a construction unit (apartment, business premises, garage and other).

Structures, within the meaning of the provisions of the Law on State Survey and Cadastre, are: buildings of all types, commercial facilities, cultural, sports and recreation facilities, shelters and other structures.

Pursuant to Articles 74 to 77 of the Law on State Survey and Cadastre, registration of property is registration of data on the plot, structure and separate part of the structure.

The right of ownership, as well as other real rights over property, are acquired, transferred, restricted or terminated by registration of real rights.

The data on plot are recorded based on survey studies or studies of geodetic works and the registration document when stipulated by the law.

The data on structure are recorded based on survey study or study of geodetic works.

The data on separate parts of structure are recorded based on technical documents based on which the building permit or inspection certificate were issued or based on:

- land register, register of deeds, register of transfers and register of sold mortgaged socially-owned apartments;
- act of the competent body;
- study of geodetic works.

The ownership of property may be registered in the Real Estate Cadastre as:

- the right of ownership;
- the right of co-ownership;
- the right of joint ownership.

The right of use, the right of lease, easement, mortgage and other real rights over property stipulated by the law are also registered in the Real Estate Cadastre.

In order to register the right of public ownership, co-ownership or joint ownership over property, pursuant to the provisions of the Law on Public Property and the Law on State Survey and Cadastre, it is also necessary to obtain relevant legal bases for acquisition for each property:

- The decision on construction and the decision on use of structures whose investor or co-investor is the local self-government unit, public enterprise and institution,

- The decision on construction and use of structure passed in the legalisation procedure,
- The property sale contract,
- The property gift deed,
- The property exchange agreement certified by the competent court,
- The contract on co-investment in structure construction that is certified by the competent court;
- The final decision on inheritance;
- The final decision on the status change of legal entity from which legal continuity of the applicant, i.e. municipality and town, may be indisputably determined.
- Decisions of the competent bodies on nationalisation, confiscation and expropriation,
- Final court decisions deciding on the property and legal relations in favour of the local self-government unit, public enterprise or institution.

If the decision obtained from the Real Estate Cadastre Office is negative, it is necessary to supplement the application and correct the shortcomings specified in the explanation or lodge a complaint, enclosing the evidence disputing the claims in the explanation.

Recommendation:

During the property registration process, the local self-government unit should obtain the laws and decisions of the competent bodies based on which it acquired the status of legal successor with regard to specific property (for example: various municipal funds were created by the termination of self-managing communities of interest, while in early 1990s the property was transferred to municipalities and towns).

C. 15 INDICATORS

(Test of successfulness in establishing procedures in the property management process)

No.	Indicator	Source of verification
1.	Working Team created	Decision of the Mayor
2.	Action Plan prepared	Decision of the Mayor on the Action Plan for the implementation of property inventory and registration
3.	Legal acts brought into compliance with relevant laws	Decisions of the competent bodies on adopting or amending relevant acts (Statute, Decision on Administration, Regulation on Organisation and Job Classification, etc.)
4.	Organisational unit in charge of LSU property management designated	Extract from the Regulation on Organisation and Job Classification
5.	Agreement on Data Exchange in Property Management Process	An Agreement on Data Exchange in Property Management Process signed between the LSU and institutions at the local level
6.	Personnel assigned and trained	Decisions on personnel assignment
7.	IT support provided	<ul style="list-style-type: none"> ○ Server installed ○ Database created
8.	Revalued book and market value determined	<ul style="list-style-type: none"> ○ Municipality/town balance sheet ○ Reports from the database on individual and total values of property
9.	Operational and up-to-date database created	Reports on property units and total amounts from the database
10.	Documents prepared for registration of public property in the property register	Application(s) for registration of property in the property register prepared, including supporting documents
11.	Certificates of the Republic Property Directorate obtained	Certificates of the Directorate
12.	Property recorded by entity (administration, public enterprises, institutions, town municipalities, local communities)	Extract from the database, by entity that is the user of public property and by cadastral municipality
13.	Applications for registration of the right of public ownership of the LSU submitted to the	<ul style="list-style-type: none"> ○ A copy of the application submitted to the competent Real Estate Cadastre Office or other

	competent Real Estate Cadastre Office or other competent institution (e.g. abroad)	competent institution keeping records of property ○ Application Receipt
14.	Real estate folios obtained from the Real Estate Cadastre Office	Documentation on each property unit completed, inclusive of real estate folio issued by the competent Real Estate Cadastre Office
15.	The value of LSU property and real balance sheet determined	○ Property portfolios defined; ○ Balance sheet of the municipality/town after completing the property inventory and revaluation

ANNEX 1 – Act Models at the LSU Level

The act models are taken from the project that was co-funded through the SCTM as technical assistance to the Town of Kraljevo as part of the Exchange 3 Programme.

I. Statute of the Town of Kraljevo

II. Decision on the Town Administration of the Town of Kraljevo

III. Regulation on Internal Organisation and Job Classification in the Town Administration of the Town of Kraljevo

The Annex provides extracts from the above acts along with the stated proposals for amendments relating to the field of property management.

I.

MODEL AMENDMENTS

**Pursuant to Article 20 of the Law on Territorial Organisation of the Republic of Serbia (Official Gazette of RS, No. 129/2007) and Articles 11 and 32 Point 1 of the Law on Local Self-Government (Official Gazette of RS, No. 129/2007),
the Assembly of (the Town), at its meeting held on xx/xx/xxxx, adopted the following**

**S T A T U T E
OF THE TOWN OF KRALJEVO**

I GENERAL PROVISIONS

Town Ownership

Article

Public ownership consists of the right of ownership of the Republic of Serbia – state ownership, the right of ownership of the autonomous province – provincial ownership and the right of ownership of the local self-government unit – municipal or town ownership.

Town Property

Article

The Town has its own property, which shall be independently managed and disposed of by the Town bodies, in accordance with the law.

The town municipality has the right of public ownership over movable and real property necessary for the operation of the bodies and organisations of the town municipality, in accordance with a special decision of the Town Assembly.

II TERRITORIAL ORGANISATION OF THE TOWN

III COMPETENCES OF THE TOWN

Competences Determined by the Constitution and the Law

Article

Through its bodies and in accordance with the Constitution and the law, the Town shall:

- ✓ **adopt the programmes of construction land development, regulate and provide for the performance of the activities of construction land development and use and determine the amount of fee for construction land development and use; lease construction land in accordance with the law; establish a public enterprise for the purpose of providing conditions for construction land development, use, improvement and protection;**
- ✓ **regulate and provide for the use of business premises that it manages, determine the amount of fee for the use of business premises and supervise the use of business premises; it may establish a special organisation or other legal entity for the performance of activities related to the use, management and supervision of use of business premises in accordance with the law;**
- ✓ **manage and dispose of the Town property and use state-owned assets and take care of their maintenance and enhancement.**

IV TOWN BODIES

1. Town Assembly

Competences of the Assembly

In accordance with the law, the Assembly shall:

- 1) adopt the Town Statute and the Rules of Procedure of the Town Assembly;**
- 2) adopt the budget and the annual account of the Town budget;**
- 3) determine the rates of the Town's own revenue, as well as the manner and standards for determining the level of local fees and charges;**
- 4) initiate the start of the procedure of establishment, termination or alteration of the Town territory;**
- 5) adopt the development programme of the Town and individual activities;**
- 6) adopt the spatial plan;**
- 7) adopt urban plans and regulate the use of construction land;**
- 8) regulate communal order in the Town and the conditions for the performance and development of public utility activities;**
- 9) adopt regulations and other general and individual acts;**
- 10) decide on calling referenda, give its opinion on the proposals contained in citizens' initiatives and approve draft decisions on local voluntary taxes;**
- 11) establish offices, public enterprises, corporations, institutions and organisations specified by the Town Statute and supervise their work;**
- 12) appoint and dismiss boards of directors and supervisory boards, appoint and dismiss managers of public enterprises, corporations, institutions, organisations and offices founded by it and give approval to their statutes and exercise other founder's rights in accordance with the law;**
- 13) elect and dismiss the Chairman of the Town Assembly and the Deputy Chairman of the Town Assembly;**
- 14) appoint and dismiss the Secretary and Deputy Secretary of the Town Assembly;**
- 15) elect and dismiss the Mayor and, upon the Mayor's proposal, elect the Deputy Mayor and members of the Town Council;**
- 16) determine town fees and other local revenue belonging to the Town according to the law;**

- 17) determine the fee for construction land development and use;
- 18) adopt acts on public borrowing by the Town in accordance with the law regulating public debt;
- 19) adopt decisions on the acquisition, use and disposal of assets publicly owned by the Town and on disposal of property in accordance with the law,
- 19a) regulate and provide for the use of business premises that it manages, set the amount of fee for the use of business premises and supervise the use of business premises;
- 19b) regulate the criteria and procedure for leasing and purchasing apartments, granting housing loans to employees in the Town bodies and prescribe the amount of rent for the use of apartments, residential buildings and garages;
- 20) adopt annual programmes of acquisition of property for the needs of the Town bodies, subject to approval of the Government of the Republic of Serbia;
- 21) propose establishment of public interest for expropriation to the Government of the Republic of Serbia;
- 22) prescribe working hours of catering, trade and craft establishments;
- 23) give its opinions on republic and regional spatial plans;
- 24) give its opinion on laws regulating the issues of interest to the Town;
- 25) establish local tax administration and perform activities within its area of competence, in accordance with the law;
- 26) give approval to the use of the name, coat-of-arms and flag of the Town;
- 27) decide on granting awards and public recognitions;
- 28) review work reports and give approval to the work programmes of budget beneficiaries;
- 29) decide on cooperation or association with towns and municipalities, associations, non-governmental and humanitarian organisations in accordance with the law;
- 30) appoint and dismiss the Ombudsman;
- 31) appoint and dismiss the Public Attorney and Deputy Public Attorney of the Town;
- 32) establish permanent and temporary working bodies for consideration of issues within its competence;
- 33) elect and dismiss members of working bodies of the Town Assembly;
- 34) initiate the procedure for the assessment of constitutionality or legality of a law or other general act of the Republic of Serbia that violates the right to local self-government;
- 35) form bodies, organisations and offices for the needs of the Town and regulate their organisation and work;
- 36) determine the names of streets, squares, town districts, villages and other parts of settlements in its territory in accordance with the law;
- 37) adopt plans for the protection from natural and other major disasters for the Town territory;
- 38) prescribe misdemeanours for the violation of town regulations;
- 39) adopt the Code of Ethics for the conduct of its officials;
- 40) adopt measures and recommendations for the promotion of human and minority rights,
- 41) perform activities not assigned to any of its bodies (non-delegated authority),
- 42) also perform other activities determined by the Constitution, the law and this Statute.

2. Executive Bodies of the Town

Executive Bodies

Article

Executive bodies of the Town are the Mayor and the Town Council.

Competences of the Mayor

Article

The Mayor shall:

- 1) represent the Municipality/Town;**
- 2) propose the manner of resolving the issues to be decided on by the Assembly;**
- 3) issue orders for budget execution;**
- 4) direct and coordinate the work of the Municipal/Town Administration;**
- 5) adopt individual and other acts for which he/she is authorised by the law, this Statute or the decision of the Assembly;**
- 5a) conclude agreements on acquisition, disposal, use and lease;**
- 5b) decide on the allocation of official buildings and business premises owned by the Town;**

...

2.2. Town Council

Competences

Article

The Town Council shall:

- 1) propose the Statute, budget and other decisions and acts to be adopted by the Assembly;**
- 2) immediately implement the decisions and other acts of the Assembly and take care of their implementation;**
- 3) adopt a decision on interim funding in the case the Assembly fails to adopt the budget before the beginning of the fiscal year;**
- 4) supervise the work of the Town Administration, annul or abolish the acts of the Town Administration that are not in compliance with the law, the Statute and other general act or decision adopted by the Assembly;**
- 5) decide in the second-instance administrative procedure on the rights and obligations of citizens, enterprises, institutions and other organisations in administrative matters within the competence of the Town;**
- 6) adopt decisions on use and lease...;**
- 7) give approval to decisions on leasing property used by public enterprises, institutions and other entities founded by the Town Assembly;**
- 8) take care of the exercise of delegated competences from the scope of the rights and duties of the Republic;**
- 9) appoint and dismiss the Head of the Municipal/Town Administration;**
- 10) adopt the Rules of Procedure of the Town Council upon the Mayor's proposal.**

3. Town Administration

Competences of the Town Administration

Article 74

The Town Administration shall:

- 1) prepare draft regulations and other acts to be adopted by the Assembly, the Mayor and the Town Council;**
 - 1a) prepare acts on the acquisition, use, management and disposal of the assets used by the Town bodies;**
- 2) implement the decisions and other acts of the Assembly, the Mayor and the Town Council;**
- 3) decide in the first-instance administrative procedure on the rights and duties of citizens, enterprises, institutions and other organisations in administrative matters within the competence of the Town;**

4) perform the activities of administrative supervision of the implementation of regulations and other general acts of the Assembly;

5) implement laws and other regulations the implementation of which is delegated to the Municipality/Town;

6) perform technical and other tasks determined by the Assembly, the Mayor and the Town Council;

6a) keep unified records of property owned by the Town, in accordance with the law, the by-law and the decision of the Town Assembly;

7) submit the report on its work regarding the execution of the tasks within the competence of the Town and delegated tasks to the Mayor, the Town Council and the Assembly as needed, but at least once a year.

V FUNDING THE TOWN ACTIVITIES

VI DIRECT PARTICIPATION OF CITIZENS IN EXERCISING LOCAL SELF-GOVERNMENT

VII LOCAL COMMUNITY SELF-GOVERNMENT

Legal Status of Local Community Self-Government

Article 105

Local community has the status of a legal entity within the rights and duties determined by this Statute and the Decision of the Town Assembly on Local Community Self-Government.

VIII RELATIONS BETWEEN THE BODIES OF THE REPUBLIC AND THE TOWN BODIES

IX COOPERATION AND ASSOCIATION BY THE TOWN

X PROTECTION OF LOCAL SELF-GOVERNMENT

XI TOWN ACTS

XII INTERPRETING, ADOPTING AND AMENDING THE STATUTE

XIII TRANSITIONAL AND FINAL PROVISIONS

TOWN ASSEMBLY

No.:

Date:

CHAIRMAN OF THE TOWN ASSEMBLY

II

MODEL AMENDMENTS

D E C I S I O N

ON TOWN ADMINISTRATION OF THE TOWN

I GENERAL PROVISIONS

II TOWN ADMINISTRATION ACTIVITIES

Article x

The Town Administration shall:

- 1) prepare draft regulations and other acts to be adopted by the Assembly, the Mayor and the Town Council;
- 1a) prepare acts on the acquisition, use, management and disposal of the assets used by the Town bodies;
- 2) implement the decisions and other acts of the Assembly, the Mayor and the Town Council;
- 3) decide in the first-instance administrative procedure on the rights and duties of citizens, enterprises, institutions and other organisations in administrative matters within the competence of the Town;
- 4) perform the activities of administrative supervision of the implementation of regulations and other general acts of the Assembly;
- 5) implement laws and other regulations the implementation of which is delegated to the Town;
- 6) perform technical and other tasks determined by the Assembly, the Mayor and the Town Council;
- 6a) keep unified records of property owned by the Town, in accordance with the law, the by-law and the decision of the Town Assembly;
- 7) submit the report on its work regarding the execution of the tasks within the competence of the Town and delegated tasks to the Mayor, the Town Council and the Assembly as needed, but at least once a year.

III ORGANISATION AND COMPETENCES OF THE TOWN ADMINISTRATION

Article xx

Department of Economy and Finance shall perform the tasks of the Town Administration relating to: the field of economy, craft, catering, trade, tourism, adoption of the programme of development of the activities within the competence of the Town, prices within the competence of the Town, promotion and development of agriculture and craft, preparation of budget and financial plans, implementation of the Town budget, funding activities within the competence of the Town, planning and monitoring revenue and expenditure, preparation of consolidated treasury account, audit of expenditure and commitments, budget accounting and reporting, keeping records of the book value of the Town property, management of the financial and information system, appraisal of damage due to natural disasters, as well as other tasks, in accordance with the law.

Article xx

Department of Urban Planning, Construction and Housing and Utilities shall perform the tasks of the Town Administration relating to: spatial planning and development, construction, housing and utilities, use of construction land, environmental protection within the competence of the Town, certain tasks in the field of traffic and road management, property and legal tasks delegated by the law, tasks relating to expropriation, arbitrary occupancies, deed issuance, purchase of Town-owned apartments, restitution of meadows and pastures to villages, restitution of property to cooperatives, certain tasks in the field of water management, erosion control and watercourse regulation, the tasks delegated by the Law on Planning and Construction, keeping unified records of property owned by the Town, in accordance with the law, the by-law and the decision of the Town Assembly, preparation of acts on the acquisition, use, management and disposal of assets used by the Town bodies, technical and administrative activities of the Committee for Land Restitution under the Agricultural Land Fund, as well as other tasks in accordance with the law.

IV MANAGEMENT IN THE TOWN ADMINISTRATION

V TOWN ADMINISTRATION RELATIONS

VI LEGAL ACTS OF THE TOWN ADMINISTRATION

VII RECUSAL OF OFFICIALS

VIII PUBLICITY OF WORK

IX LABOUR RELATIONS IN THE TOWN ADMINISTRATION

X RESOURCES FOR FUNDING THE TOWN ADMINISTRATION
XI TRANSITIONAL AND FINAL PROVISIONS

TOWN ASSEMBLY

No.:

Date:

Chairman of the Assembly

III

MODEL AMENDMENTS

R E G U L A T I O N
ON INTERNAL ORGANISATION AND JOB CLASSIFICATION IN THE TOWN
ADMINISTRATION OF THE TOWN OF KRALJEVO

I GENERAL PROVISIONS

II ORGANISATION AND SCOPE OF ACTIVITIES OF ADMINISTRATION

III THE MANNER OF MANAGING ORGANISATIONAL UNITS

IV ORGANISATION OF BASIC ORGANISATIONAL UNITS

Article xx

The following sections shall be formed within the internal organisational units referred to in Article 5 of this Regulation:

1. In the Department of Assembly Affairs:
 - Section for Town Assembly Affairs
 - Section for Town Council Affairs
2. In the General Administration Department:
 - General Administration Section
 - Section for Local Community Offices

3. In the Department of Social Affairs:
 - Section for Budget Beneficiary Affairs
 - Section for Delegated Tasks
 - Social Care Section
 - Office of the Commissariat for Refugees
4. In the Department of Economy and Finance:
 - Economy and Development Section
 - Finance Section
5. In the Department of Urban Planning, Construction and Housing and Utilities:
 - Section for Urban Planning and Construction
 - Section for Housing and Utility Affairs
 - Section for Property and Legal Affairs
 - Section for Town Property Record-Keeping and Management
 - Traffic Section
6. In the General Affairs Department:
 - Accounting Section
 - Technical Section
 - Section for Work with Local Communities
 - Public Procurement and IT Section
7. In the Inspection Department:
 - Section for Construction Inspection
 - Section for Municipal, Traffic and Education Inspection
 - Decision Enforcement Section
 - Section for Environmental Protection and Environmental Inspection
8. In the Tax Administration Department:
 - Section for Determination of Public Revenue
 - Section for Public Revenue Supervision
 - Section for Collection, Tax Accounting and Reporting

V ACTIVITIES AND TASKS WITH NAMES, DESCRIPTIONS AND REQUIREMENTS FOR THEIR PERFORMANCE

Article xx

The Job Classification of the Administration shall include 165 posts with 269 employees in total, as follows:

5. DEPARTMENT OF ECONOMY AND FINANCE

The Job Classification shall include 16 posts with 17 employees in total in the Department of Economy and Finance.

B. FINANCE SECTION

***NOTE:** In accordance with the maximum number of employees in the administration determined by the law and considering the personnel potential of this Department, a new post should be classified within the Finance Section, or the **tasks of keeping records of the book value of the Town property** should be developed and added to the description of activities and tasks of some of the already existing posts.

6. DEPARTMENT OF URBAN PLANNING, CONSTRUCTION AND HOUSING AND UTILITIES

The Job Classification shall include 22 posts with 39 employees in total in the Department of Urban Planning, Construction and Housing and Utilities.

- v. SECTION FOR URBAN PLANNING AND CONSTRUCTION**
- w. SECTION FOR HOUSING AND UTILITY AFFAIRS**
- x. SECTION FOR PROPERTY AND LEGAL AFFAIRS**

C a) SECTION FOR TOWN PROPERTY RECORD-KEEPING AND MANAGEMENT

***NOTE:** In accordance with the maximum number of employees in the administration determined by the law and considering its personnel potential, several new posts should be classified within this Department, **which would be engaged in economic and construction aspects of property management (keeping unified records of property owned by the Town in accordance with the law, the by-law and the decision of the Town Assembly, preparation of acts on the acquisition, use, management and disposal of assets used by the Town bodies and other).**

Harmonise this with the Statute

VI TRAFFIC SECTION

7. GENERAL AFFAIRS DEPARTMENT

The Job Classification shall include 32 posts with 53 employees in total in the General Affairs Department.

- A. ACCOUNTING SECTION**
- B. TECHNICAL SECTION**
- C. PUBLIC PROCUREMENT AND IT SECTION**
- D. SECTION FOR WORK WITH LOCAL COMMUNITIES**

8. INSPECTION DEPARTMENT

The Job Classification shall include 20 posts with 41 employees in total in the Inspection Department.

- A. SECTION FOR CONSTRUCTION INSPECTION**
- B. SECTION FOR MUNICIPAL, TRAFFIC AND EDUCATION INSPECTION**
- C. DECISION ENFORCEMENT SECTION**
- D. SECTION FOR ENVIRONMENTAL PROTECTION AND ENVIRONMENTAL INSPECTION**

9. TAX ADMINISTRATION DEPARTMENT

The Job Classification shall include 16 posts with 17 employees in total in the Tax Administration Department.

- A. SECTION FOR DETERMINATION OF PUBLIC REVENUE**
- B. SECTION FOR PUBLIC REVENUE SUPERVISION**
- C. SECTION FOR COLLECTION, TAX ACCOUNTING AND REPORTING**

10. UNIT FOR PROJECT MANAGEMENT AND LOCAL ECONOMIC DEVELOPMENT

VI ACTIVITIES AND TASKS FOR WHICH TRAINEES MAY BE ENGAGED

VII ACTIVITIES AND TASKS FOR WHICH PRIOR TESTING OF WORK SKILLS IS CONDUCTED

VIII TRIAL PERIOD OF WORK

IX ADMINISTRATION HEAD'S MANAGEMENT COMMITTEE

X PROFESSIONAL EXAM

XI OTHER PROVISIONS

XII TRANSITIONAL AND FINAL PROVISIONS

TOWN ADMINISTRATION OF THE TOWN
No.:

ADMINISTRATION HEAD

ANNEX 2 – Model job descriptions

*These model job descriptions are taken from the **Initiative for Determining the Model List, Description and Evaluation of Jobs in the Administrations of Municipalities and Towns of the Republic of Serbia**, which was submitted to the Ministry of Finance and Economy by intermunicipal working groups for legal and financial management issues, whose members are representatives of the towns of Čačak, Kraljevo and Užice and municipalities of Arilje, Čajetina, Gornji Milanovac, Lučani and Požega.*

EXTRACT FROM THE MODEL

LIST, DESCRIPTION AND EVALUATION OF JOBS IN THE ADMINISTRATIONS OF MUNICIPALITIES AND TOWNS OF THE REPUBLIC OF SERBIA

Property record-keeping tasks

Job description: keeping records of property used by the LSU and by public enterprises and institutions founded by the LSU, records of charge on property, taking over the property acquired by inheritance, contract or other legal transaction, obtaining necessary documents and preparing a report on the condition of each such property, providing data from the records of property owned by the LSU.

Property and legal tasks in property management

Job description: preparation of draft decisions and contracts on property use and disposal; collection of documents for registration of property in relevant public registers; keeping a unified registry of property publicly owned by the local self-government unit; keeping and updating the portfolio of property publicly owned by the LSU.

Professional and technical tasks in property management

Job description: appraisal of the condition of property, proposals for capital and current maintenance, investment monitoring, participating in the preparation of public investment plan, preparation of priced bill of quantities for works.

Economic and financial tasks in property management

Job description: estimation of property value by using appropriate methodologies, property investment analysis, preparation of public investment plans, monitoring public investment performance, cost-to-

performance ratio, analysis of effects of investment in public projects through public procurement, public-private partnership and concessions.