

## *Kort oppsummering - State supervision of local government*

General rules on administrative supervision of municipalities can be found in the Local Government Act from 2011, in Chapter XI.

The Minister of Interior has the power to monitor individual decisions taken by the municipalities or by other entities to which administrative municipal functions have been commissioned, to ensure that municipalities discharge their legal obligations and comply with other lawful instructions. Article 110 provides the categories of matters under monitoring: when the rules of the municipalities are approved; in the processing of matters relating to municipalities' finances (Chapter VIII); in the processing of appeals lodged within three months of the date on which the party to the case was informed of the administrative decision concerning rights and obligation of individuals (article 111); in the processing of monitoring on which the Ministry takes the initiative (article 112).

The Minister may apply remedial measures (listed by the Act). He shall choose the measure that is most likely to produce the desired result, taking into account the autonomy of the municipalities. Among those measures, there is also the possibility the Ministry to annul decisions, either in their entirety or in part. It is stated that the Ministry may not take new decisions in a case on behalf of a municipality. When there are particular reasons in favour of doing so, the Ministry may also decide to postpone the legal effects of a decision taken by a municipality.

When the Ministry decides at its own initiative to examine a matter (article 112) it may: issue guidelines on the interpretation of legislation and on other aspects of the administrative functions of the municipality, 2. issue an opinion on the legality of actions, or the failure to act, by the municipality, or another party being monitored, 3. issue instructions to the municipality to take a decision on a matter, rescind a decision or put matters into lawful order by other means, 4. apply other remedial measures under this Chapter if there is occasion to do so.

According to article 116, "If a municipality neglects its obligations prescribed by law, e.g. to submit information or to comply with decisions taken by the Minister under Chapter VIII, a ruling under Article 111 or instructions under Article 112, the Ministry may, after giving a caution, stop payments from the Local Authorities' Equalization Fund or impose penalty payments calculated on a daily basis on the municipality until the matters in neglect have been properly attended to. The Minister shall, in a regulation, determine minimum and maximum amounts of penalty payments calculated on a daily basis. Decisions involving penalty payments calculated on a daily basis shall take account of the gravity of the violation and the number of people in the municipality".

According to article 118, "The Ministry may institute proceedings against a municipality or other entity which is subject to monitoring by the Ministry under this Act and which has taken a decision which the Ministry considers unlawful, or neglected to fulfil an obligation prescribed by law or implement a decision by the Minister under Chapter VIII or comply with a ruling under Article 111 or instructions under Article 112".

Finally (article 117), "If a municipality, co-owned agency or private entity which is subject to monitoring by the Ministry under Article 109 and to which a ruling or instructions by the Ministry under this Chapter or Chapter VIII is directed is not willing to accept the decision, the party in question may refer the matter to the courts according to the ordinary rules. If, in view of ordinary rules, a court action is not to be brought against the Ministry, the Ministry shall be summonsed to protect its legal interests. Court proceedings shall be instituted within six months of the date when the party in question became aware, or can be expected to have become aware, of the Ministry's decision".

The Act on Local government in Iceland:

<https://www.government.is/lisalib/getfile.aspx?itemid=86cd80de-940e-11e9-9442-005056bc530c>