Organization and functioning of local government during the period 1925–1928

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Abstract: *Organizzazione e funzionamento del governo locale nel periodo 1925-1928* – The essay examines the Municipalities Law of 1923, approved when the previous constitution, the "Extended Statute of Lushnja" of 1922, was in force. This law remained valid until 1934, when a new law on municipalities was approved, but by that time a new constitution, the Fundamental Statute of the Kingdom of 1928, had already come into force. Regarding the organization and functioning of the civil administration of the prefectures and sub-prefectures in Albania, these were organized according to the law of 1922 and subsequently the law of 23 May 1928. Therefore, in the period 1925-1928, the only legislative act approved relating to local power was this one.

Keywords: Constitutions of 1925 and 1928; Municipalities; Prefectures and sub-prefectures; Legislative acts applied in the period 1925-1928

1. Introduction

Local government, also referred to as local governance or local administration, represents the first and closest tier of the exercise of public authority in relation to citizens. It is the expression of the political and administrative organization of a State at the territorial level nearest to the community, where the concrete needs of the population directly intersect with the capacity of State structures to respond to their demands. In its broader sense, the local government is not merely a technical mechanism for managing the daily affairs of a community, but rather a fundamental component of the institutional architecture of the State, closely connected with the principle of decentralization, participatory democracy, and the guarantee of fundamental rights.

The organization of local government encompasses the definition of territorial units, the structure of decision-making and executive bodies, the competencies delegated to them, the financial resources available, and their relationship with central government. Its functioning is linked to the manner in which these structures deliver public services, manage natural and infrastructural resources, regulate economic and social life at the local level, and represent the interests of the community vis-à-vis the State. The proper regulation of these aspects is not merely a matter of procedure, but directly conditions the quality of life of citizens and their trust in institutions.

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The importance of the organization and functioning of local governance within a State manifests itself on several levels. First, it is the principal instrument for the practical implementation of public policies and legal provisions, serving as the essential bridge between central decision-making and the everyday realities of citizens. Second, a local government constitutes the space where democracy is concretized, not only through the election of local representatives but also through the opportunities communities have to influence decision-making and to demand institutional accountability. Third, it plays an irreplaceable role in the economic and social development of a country, as the decisions of these bodies concerning land use, urban planning, public services, and social policies have a direct impact on the well-being of the population.

For these reasons, any State seeking to build stable, functional, and legitimate institutions accords particular importance to the organization of local governance. A clear and adequate structure of local government, endowed with sufficient competencies and secure financial resources, not only guarantees the effective delivery of services but also strengthens social cohesion, contributes to conflict prevention, and enhances the sense of belonging and civic responsibility. In this sense, the local government is not only an important part of the State mechanism but also a cornerstone of democratic functioning and the sustainable development of society.

In the history of the development of local governance in Albania, the period of the Republic (1925–1928) represented a distinct phase of interaction between the Ottoman legacy and the efforts of the Albanian State to construct a unified and modern system of local self-government. The legal framework inherited from the Ottoman period in the field of local organization consisted of a series of normative acts that had entered into force at different times and had undergone subsequent amendments and additions. At the core of this framework stood the Laws on the Municipality of Constantinople and the Provinces, dated 23 Autumn 1293 (22 July 1876), which were later amended by the law of 2 July 1328 (1910). These were further supplemented by the Annexes of the law of 3 October 1302 (1884) and 3 Autumn1306 (1889), as well as by the provisional law on the organization of the Municipality of Constantinople of 17 December 1328 (1910).

Part of this system was also the *Building Law* of 1293 (1877), later amended through three annexes, as well as the *Expropriation Law* of 24 Autumn III 1295 (1879), which was subsequently modified by the annex approved in 1298 (1881), the annex of 1 February 1328 (1910), and that of 25 June 1328 (1910), together with all supplementary acts that followed. These provisions constituted the legal basis upon which the early regulations of local government in Albania were founded.

The Albanian State attempted to gradually replace this inherited legislation. The first step was the *Provisional Law on Civil Administration*, adopted in November 1913 by the National Government of Vlora, though it did not endure for long. During the rule of Prince Wied, the *Organic Statute of Albania*, drafted by the International Control Commission, regulated local government in Chapter VI, Articles 95–140. However, this Statute remained at the level of a project and never entered into force.

After the end of the First World War and the reorganization of the Albanian State following the Congress of Lushnjë (1920), the first legislative acts were adopted with the aim of replacing the Ottoman legal framework with an Albanian one. Thus, the Law of 25 December 1921 *On Municipalities* represented the first serious attempt to establish a unified legal basis for the organization and functioning of local self-government units. In the same year, on 5 March 1922, the law *On the Civil Administration of the Albanian State* was enacted, which regulated the organization and functioning of the country's territorial units, such as prefectures, sub-prefectures, provinces, villages, and their respective administrative organs.

Subsequently, on 6 January 1923, the financial provisions of the municipalities were amended through another law, which was soon followed by the Law of 26 May 1923. Later, on 23 July 1925, the law *On Expropriations in the Capital* introduced a special and accelerated procedure for the implementation of Tirana's regulatory plan. An attempt to establish a special fiscal regime for the capital city was made through the Decree-Law of 15 February 1926 *On the Taxes of the Municipality of the Capital*, which, however, was repealed only a few weeks later by Parliament, and replaced by the Law of 7 June 1926 *On Municipal Finances*. On the eve of the proclamation of the monarchy, on 23 May 1928, the law *On Civil Administration in the Albanian Republic* was approved, which provided a detailed restructuring of local government and the role of administrative organs throughout the territory, abrogating the 1922 law. Finally, the last law enacted at the end of this period was the Law of 4 June 1928 *On the Municipality of the Capital*, which aimed to establish a new and special organization applicable solely to the capital's municipality.

This study is limited to an analysis of the normative framework of local government that was in force during the period from 21 January 1925 to 1 September 1928. This timeframe corresponds to the so-called republican form of Ahmet Zogu's regime. For this reason, the object of analysis includes those normative acts on local government that were in force at the moment of the proclamation of the republic (21 January 1925), as well as the amendments they underwent, and the new laws adopted during this period up until the proclamation of the so-called "monarchy" (1 September 1928). the other normative acts that amended the legislative framework of local governance outside this period are not examined in this paper. Nevertheless, in order to clarify the interpretation and application of many provisions, later jurisprudence of the Council of State has also been used, even though this adjudication body did not exist throughout the entire period. The methodological choice to include its case law was made with the aim of offering not only a theoretical panorama of the norms, but also a practical insight into the way these provisions were actually applied on the ground.

The study initially examines the territorial organization of the country, as regulated by the laws of 1922 and 1928, and subsequently addresses the organization of municipalities, which were governed by a distinct legislative framework and underwent the most significant changes during this period.

2. The Fundamental Statute of 1925

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The *Fundamental Statute of the Albanian Republic of 1925*, adopted by the Constituent Assembly as the constitutional act of the new republic, sought to establish the foundations of a system characterized by a powerful President as head of State, alongside a Parliament composed of two legislative chambers. It clearly regulated the separation and exercise of powers, as well as the rights and freedoms of citizens. However, it did not contain a single constitutional provision concerning local government. This omission appears to have been grounded in the legacy of the *Expanded Statute of Lushnjë* of 1922, which had likewise failed to assign any specific place to local administration. Evidently, the 1925 Statute deliberately distanced itself from the model of the *Organic Statute of 1914*, under which local government had occupied a notable role within the framework of administrative decentralization. Thus, for the period 1925–1928, the organization and functioning of local government was not elevated to a constitutional level but was instead relegated to regulation through ordinary legislation, leaving the system of local governance marginalized within the constitutional architecture of the Albanian State.

3. The organization and functioning of local administration in Albania (prefectures, sub-prefectures, provinces, and villages)

At the proclamation of the so-called "Republic" on 21 January 1925, the territorial organization of the country was regulated by the Law of 5 March 1922 *On the Civil Administration of the Albanian State*. This law remained in force until 1928, when Parliament adopted the Law of 23 May 1928 *On the Civil Administration in the Albanian Republic*. As can be observed, throughout the "republican" period of Ahmet Zogu's regime, local administration was governed primarily by the 1922 law. Nevertheless, since both laws had legal effect during the years 1925–1928, they will be addressed in the following analysis.

3.1 *The organization of local administration under the Law of 5 March 1922 On the Civil Administration of the Albanian State*

The Law of 5 March 1922 *On the Civil Administration of the Albanian State* represented a cornerstone in the institutional development of the Albanian State at a time when the country was still in the early stages of State consolidation following the Declaration of Independence. This act sought to establish a clear and hierarchical architecture of local authority, placing upon it a centralized system of State power inspired primarily by the French model, while at the same time retaining certain elements of indigenous tradition. The core idea was that the country's territorial division should reflect the functional requirements of governance and the imperative of securing central control over the periphery. This would prevent political fragmentation and create a unified administrative system.

The law divided the national territory into clearly defined hierarchical units, establishing the Prefecture as the highest tier, further subdivided into Subprefectures, and thereafter into Provinces (*articles* 1–2).

At each level of this territorial division a State representative was appointed—the Prefect, the Subprefect, and the Provincial Head—who constituted the main pillars of a pyramidal authority from where the orders, decisions, and policies of the central government were disseminated down to the level closest to the population. This system departed from the Ottoman tradition, where the local authority often had an informal character and rested upon the influence of local beys or notables, by seeking instead to establish a modern type of administration in which the relationship between the different tiers of the State was legally regulated and tightly controlled.

An important feature of this law was the requirement that any reorganization of local administration could not be enacted merely by government decree, but demanded the approval of a special law and the prior consultation of the administrative councils of the respective units (*article* 3). Although this provision appeared to guarantee a degree of participation for local organs, in practice it vested the ultimate control in the hands of the government and parliament, rendering decentralization more formal than substantive. Similarly, for the Highland regions, the law mandated the drafting of a special regulation, explicitly acknowledging that the social and juridical structures of those areas could not be easily adapted to imported models but required flexibility and respect for customary tradition (*article* 4). This article represented a significant compromise between the modern State and the traditional structures that still retained authority in the daily life of the population.

Under this law, the civil administration was not confined to the officials of general authority, but extended to a wide network of functionaries: the director of finances, the commander of the gendarmerie, school inspectors, quarantine doctors, and even customs officers. In this way, it was clearly distinguished from the judiciary and the military, which were considered separate domains beyond the authority of the Prefecture (*article* 5). This expansion of administrative reach reflected the vision of a State aspiring to encompass all aspects of citizens' daily lives, exercising control over order, health, education, and the economy.

The figure of the Prefect held the center of this system. Explicitly defined as "the highest official of the executive power" within his jurisdiction (*article* 14), he was the representative of all ministries, bound to execute the directives of the central government, yet entrusted with wide-ranging responsibilities covering security, education, health, the economy, and public order (*article* 14–15). The Subprefect and the Provincial Head reflected the same logic at lower levels: they acted as intermediaries who transmitted orders and ensured the implementation of the law down to the village level (*article* 25–33). The Provincial Head, being closest to the people, was vested with limited punitive powers - such as the imposition of fines or temporary arrests - but these were always conditioned upon the approval of the provincial council and notification of higher authorities (*article* 34).

Within this framework, a special role was assigned to the *Pleqësia* (council of elders) of the villages. This institution was not an innovation, but rather the integration of local tradition into the modern State order. The *Pleqësia* oversaw the daily affairs of the community—from the maintenance of roads and public works to the registration of births, deaths, or crimes—and represented a legalized form of traditional self-governance within the

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State structure (*article* 35–36). It exercised administrative, mediatory, and even judicial functions, such as authenticating testimonies and exercising authority over village property (*articles* 50–57). The symbolism of the village seal (*article* 52) and the ritual of its use underscored the continuity of communal authority, though always under the supervision of the Subprefecture and the Prefect.

The administrative councils at the level of the Prefecture and Subprefecture, composed of officials from various State sectors and presided over by the Prefect, held wide-ranging competences over finances, contracts, forests, and public services (*articles* 37–38). They exercised an important decision-making role, functioning as the point where collegial authority and executive power intersected. Decision-making by majority vote, combined with the Prefect's or Subprefect's casting vote in cases of a tie (*article* 41), illustrated the balance between collegial representation and the authority of the center. Nevertheless, the decisions of these councils were immediately enforceable and could be accompanied by fines or administrative arrest (*article* 43), thereby granting local administration strong punitive competences that went beyond mere technical management.

A distinctive feature of this law was the inclusion of provincial and regional councils, which introduced a representative dimension within a centralized administration. The regional councils, composed of members elected by village councils of elders, could issue decisions of a civil and penal nature within a modest financial limit, though such decisions were subject to appeal before the courts of peace (*article* 46), thus linking them to the judicial system and respecting the principle of legal remedies. Meanwhile, the provincial councils enjoyed broader competences in fields such as education, infrastructure, and agriculture, though always subject to approval by the central government (*articles* 60–61, 66, 70, 72).

In summary, the 1922 law represented an attempt to construct a unitary and modern State by anchoring it in a clear, hierarchical, and centralized administrative system. It incorporated elements of traditional self-governance, such as the councils of elders, but only as entities integrated within the State order. Despite the representative forms it created, such as the regional and provincial councils, ultimate authority always remained in the hands of the government and the Prefect, reducing decentralization to a principle that was more formal than substantive. This law, with all its limitations, nevertheless marked a necessary step toward State-building, establishing a centralized administration capable of ensuring stability and the authority of the State in a still fragile political and social environment.

3.2 *The organization and functioning of local administration under the Law of 23 May 1928* "On the Civil Administration in the Albanian Republic"

The Law of 23 May 1928 *On the Civil Administration in the Albanian Republic* represented a foundational act in the institutional consolidation of the Albanian State on the eve of its transformation from a republic into a monarchy. Unlike the 1922 law, which had functioned largely as a transitional instrument, the 1928 law provided a comprehensive and

consolidated framework aimed at establishing a stable, hierarchical, and centralized structure of administrative power at the local level. Through this law, the State definitively affirmed the model of a modern civil administration, built upon the principle of unity and vertical subordination, thereby settling any remaining doubts about the extent of centralization of power.

The definition of Albania's territorial division was at the core of this law, which clearly delineated the hierarchy of administrative units and the functions of the authorities governing them. The country was organized into a four-tier structure: Prefecture, Subprefecture, Province, and Village, each overseen by a representative of central authority—the Prefect, Subprefect, Provincial Head, and Village Elder (*articles* 1–2). This precise and detailed determination of hierarchy served not only an organizational purpose but also carried a clear political message: every level of social life in the territory had to be directly connected to the State and represented by an authority appointed or approved by it. In this way, local administration did not emerge as an autonomous power but as a direct extension of the central government in the field.

An important aspect of this law was the guaranteed stability of the administrative division. The competence to alter the boundaries of territorial units was reserved exclusively to the law (*article* 3), thereby making it impossible for the government to act through simple executive decisions in this domain. This provision demonstrated the State's intent to establish a structure immune from arbitrary change, protected from frequent political interference and grounded in a stable legal framework. At the same time, it underscored the profoundly centralizing nature of the Albanian State, since the decisive authority over territorial organization rested solely at the highest level of normativity.

The 1928 law was also notable for its detailed provision of a wide range of functions and categories of officials. Beyond the leading authorities - the Prefect, Subprefect, and Provincial Head - the Prefecture's structure also encompassed directors of finance, education, health, public works, agriculture, cadastre, and police (*article* 4). At lower levels, post-commanders, police commissioners, and provincial secretaries were charged with operative tasks. This extensive description reveals the legislator's aim to construct a comprehensive administration in which the State permeated every aspect of citizens' economic, social, and cultural life. The objective was not merely an administration ensuring order, but a mechanism encompassing every sector of societal development.

Within this architecture, the figure of the Prefect occupied the central role. He was not simply a high-ranking official but the direct representative of the government and its ministries in the territory, obliged to guarantee the implementation of laws and the protection of State and public interests (*articles* 15–16). His competences extended from overseeing the administration and disciplining civil servants (*articles* 7–9), to commanding law enforcement forces (*article* 20), organizing the struggle against smuggling (*article* 23), and mobilizing the army in extraordinary circumstances (*article* 22). In this way, the Prefect functioned simultaneously as an administrative, disciplinary, police, and political authority, emerging as the most important figure of the local executive. In other words, his role

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resembled that of a "governor" of the district, in which all branches of the administration were bound to obey his orders (*article* 27).

The Subprefect and the Provincial Head appeared as intermediary links, reproducing at lower levels the same logic of vertical authority. The Subprefect was tasked with supervising all offices within his jurisdiction, ensuring public order, and reporting periodically to the Prefect on the condition of the territory (*article* 29–35). The Provincial Head was vested with broad competences over public order, health, education, agriculture, and the management of public services (*article* 43), turning him into a multifaceted figure combining the roles of local administrator, policeman, and judge.

The 1928 law also attached a particular importance to collegial bodies, especially the administrative councils and provincial councils. The administrative councils at the Prefecture and Subprefecture levels were composed of State office directors and members elected by the people (*article* 47), though their final appointment was made by the central authority (*article* 55). This model sought to combine representative elements with central oversight, but in practice local representation remained limited and dependent on government approval. Their competences were wide-ranging, encompassing the management of auctions, contracts, forests, and public assets (*article* 57), yet their decisions were always subject to appeal before higher levels of the administrative hierarchy (*article* 59). In one instance illustrating the application of this system of administrative justice, the Council of State reviewed a case in which local authorities had arbitrarily set a price for stone extraction, disregarding economic realities and commercial testimony. The Council of State held that the approved price of ten gold francs per cubic meter was exaggerated and contrary to the evidence and economic norms of the time, ordering the annulment of the administrative council's decision.[1]

A distinctive element of this law was the sanctioning of the competence of administrative councils to penalize the non-implementation of their decisions through fines or short-term imprisonment (*article* 63). This provision endorsed the administration with punitive powers that went beyond mere managerial authority, giving it the dimension of a power that not only regulated but also imposed itself through direct coercive means. The jurisprudence of the Council of State at the time revealed that this provision was a source of debate regarding the limits of administrative authority, making it one of the most contested points of the law. In the application of this rule, the Council of State examined a case in which a citizen had been fined under this article due to the failure of his tenant to clear the waste that had been generated. The Council of State found that such a fine had been imposed by the administrative council beyond the nature of its administrative competence, since the issue of urban waste fell typically within municipal jurisdiction and not within the scope of this provision. Nevertheless, the Council of State considered itself incompetent to annul the decision, since it determined that such decisions were final in form and could not be appealed. On this basis, the Council of State requested

[1] Decision no. 57, dated 7.2.1934 of the Justice and Administration Section of the Council of State.

that the decision be annulled by the Minister of the Interior, relying on the principles of administrative justice[2].

The further interpretation of *article* 63 was enriched by its connection with *article* 64, as clarified by the jurisprudence of the Council of State, which established that the sanctions regulated by this provision could only be applied in cases where no specific punitive measures were already provided for in existing legislation. For this reason, the provision also applied in cases where the enforcement of village council's decisions was refused[3].

At the lowest level, the law institutionalized the village council (*pleqësia e katundit*) as a traditional form of local self-government, while incorporating it within the framework of the modern State. The council was elected by the population, but the village elder (*plaku i katundit*) was appointed by the Prefect or Subprefect from among the most voted candidates (*article* 77), thereby preserving central authority's control over this traditional structure.

The law also granted to village councils the right to determine compensation for the services they performed, provided that this payment was approved and recorded in the minutes of the elections. Such compensation was not obligatory and could be waived at the discretion of the elders themselves. However, if the elders decided that such a fee should be imposed, and it was subsequently contested, the law authorized the imposition of administrative sanctions (*article* 79).[4]

The competences of the village council included the administration of communal property, the maintenance of order, the reporting of civil and criminal events, the collection of taxes, and the mediation of disputes (*articlest* 83–84). In this way, the State embodied an institution deeply rooted in customary tradition but transformed it into a legitimate and controlled link within the apparatus of State administration.

Overall, the 1928 law represented the culmination of efforts to construct a centralized State capable of extending its authority into every corner of the territory and into every aspect of social life. It embodied a comprehensive codification of local administration, where local representation held only a limited and symbolic role, while real control remained firmly in the hands of the central government. Compared to the 1922 law, the 1928 one appeared more detailed, broader in scope, and clearer in defining hierarchy and competences, thereby transforming the civil administration into a powerful instrument of the State to ensure order, legality, and institutional uniformity at a time when Albania sought to project the image of a modern and consolidated State.

4. The Organization of Municipalities

In the field of municipal organization during this period, a particular importance was attached to the Law of 25 December 1921 *On Municipalities*, a legislative act that represented one of the first efforts of the Albanian State to establish a unified legal basis for the organization and functioning of local

[2] Decision no. 218, dated 13.7.1933 of the General Meeting of the Council of State.
[3] Decision no. 108, dated 20.4.1936 of the General Meeting of the Council of State.
[4] Decision no. 108, dated 20.4.1936 of the General Meeting of the Council of State.

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self-government units. It was adopted in a political and administrative context in which the newly created Albanian State, still fragile in its institutions, sought to set clear rules on the competences, duties, and relations between local bodies and central authority.

Unfortunately, the complete text of this law—extensive in scope, with over 130 articles—could not be found. At the time of its adoption, the Albanian State had not yet begun publishing its legislation in the *Official Gazette*, which started appearing only in March 1922. This act appears to have been published instead of in another official compilation, the so-called *Book of Circulars*, as noted in issue no. 4 of 1922. However, a review of these compilations at the National Library yielded no such document.

However, some thoughts on the law's provisions can nevertheless be gleaned from the later jurisprudence of the Council of State, which in adjudicating certain cases referred back to this legislation. From the analysis of the Council's jurisprudence, it appears that the law had a wide reach in the field of property rights and servitudes for public benefit (*article* 54), recognizing municipalities' right to exploit water resources for irrigation or other public services, subject to limitations set by civil law. Similarly, *article* 92 had a protective function regarding public health and order, authorizing municipalities to prohibit activities that produced excessive pollution or noise, although its interpretation in case law showed a cautious approach to avoid arbitrary application.

The law also established obligations regarding the registration and licensing of various activities, such as dog ownership (*article* 134), which included categorization by purpose and the imposition of corresponding taxes. In the fiscal domain, *article* 168 defined municipal personnel as civil servants, subjecting them to income taxation, thereby reflecting an effort toward unification in fiscal and administrative treatment.

Another significant element was the competence over market regulation (*articles* 3 and 5), granting municipalities and communes the right to designate trading sites, with clear procedures for approval and modification, linking this competence to urban planning schemes. In the sphere of urban development, *articles* 39–41 addressed compliance with city plans and conferred authority upon municipalities to intervene in cases of construction outside the approved plan, including measures up to the demolition of illegal buildings.

Taken as a whole, the 1921 Law on Municipalities represented an important step in institutionalizing local self-government in Albania. It combined a detailed normative framework with general principles that enabled the development of new administrative practices. Nevertheless, its implementation in practice often depended on the political and administrative context of the time, as well as on interventions from central authorities, which significantly limited the real autonomy of municipalities. This duality—between provisions for self-government and strong central control—remained characteristic of the development of local administration in the interwar period.

It appears that this law was subsequently amended, initially in 1922 (Law of 22 August 1922), which modified *article* 45, no longer prohibiting construction with adobe bricks (*Albanian*: *qerpiç*), but instead imposing the obligation that such buildings be whitewashed with lime both inside and out.

This change sought to guarantee hygiene and public health, since lime had disinfectant properties, while also ensuring a more orderly urban appearance. In this way, the State intervened to set minimum hygienic and aesthetic standards for urban construction, linking traditional building methods with the demands of urban modernization.

Setting aside the fiscal interventions of 1923, 1925, and 1926, which will be addressed separately, it appears that the 1921 Municipalities Law was amended by the annex of 6 June 1927, entitled *"Annex to the Law on the Rights of Municipalities of 25 December 1921."* This act represented a significant development in the normative framework regulating the functioning and competences of municipalities in Albania. At its core, the annex reflected the Albanian State's attempt to institutionalize urban planning as a mandatory process, conceived as an essential instrument for the development and modernization of towns and villages. Its provisions responded not only to the concrete needs of the time—arising from reconstruction after the devastations of the First World War and natural disasters—but also to the spirit of an administration aiming to establish new standards in urban planning and public hygiene.

From the outset, the annex imposed an obligation upon every municipality to prepare a plan for the expansion, improvement, and embellishment of the town or village (*article* 1). This plan was not intended as a mere aspirational document, but rather as a binding instrument setting forth the direction of street extensions, the delineation of public spaces, covered markets, gardens and parks, playgrounds, and other public facilities. In this way, the law redefined the traditional role of municipalities, endowing them with a modernizing function that tasked them with directing urban development in accordance with contemporary standards.

A distinctive feature of this law was its treatment of towns devaStated by war, fire, earthquakes, or other calamities. Municipalities were required, within a short timeframe, to prepare general plans of the affected areas for their reconstruction (*article* 2). The provision expressly prohibited any form of building intervention—except for provisional dwellings—until such plans had been drafted and approved, thereby reflecting the State's concern to prevent chaotic development and to impose a controlled urban order.

On the technical level, the law emphasized the crucial role of engineers, who were positioned as the professional actors responsible for drafting urban plans. These plans were to be prepared by municipal or Ministry of Public Works engineers, and in their absence, by private engineers duly authorized by the Ministry of the Interior (*article*3). This arrangement demonstrated the interweaving of local and central authority, and the fusion of technical expertise with political oversight.

In terms of financing, the burden fell primarily upon municipalities, which were required to cover the costs of drafting and implementing the plans (*article* 4). However, in cases of reconstruction following large-scale destruction, State financial support was envisaged, underlining the principle of solidarity and the central government's responsibility in the recovery of urban areas.

The process of plan approval was detailed and constructed around a dual system of control. Initially, the plans were examined by the municipal

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council (*article5*), then forwarded through the Prefectures or Subprefectures, accompanied by the opinion of the Administrative Council, to the Ministry of Public Works. Following a review by the Ministry's Technical Council, the plans were either validated or amended and thus acquired final force. This procedure reflected a hierarchical and centralized system of oversight, with ultimate decision-making authority firmly retained by the central organs.

The law was equally clear on the stability of urban plans, stipulating that they could not be altered except in extraordinary cases, and only on the basis of duly justified technical needs, with the consent of local bodies and the approval of the Council of Ministers (*article* 6). This demonstrated the State's intention to avoid arbitrariness and frequent alterations, thereby endowing urban plans with a long-term and stable character.

With regard to implementation, the law stipulated that municipalities, according to their financial capacities, were to apply the urban plans either partially or in full, by allocating special funds within their annual budgets (*article* 7). However, prior to any intervention, the municipality was required to complete the process of expropriation and compensation of property owners (*article* 8), thereby upholding the principle of fair compensation. The expropriation procedures explicitly linked this act with the law on expropriation of properties in the capital city of 13 December 1925 (*article* 9), thus creating a normative unity between the general legislation and that specifically applicable to Tirana.

A particularly notable provision granted property owners the right to repair or improve their eStates in the event that the municipality failed to execute the expropriation procedures within three months following the communication of the compensation price (*article* 10). This clause embodied a certain balance between public interest and private rights, preventing owners from being indefinitely constrained by incomplete or stalled decisions of local authorities.

In essence, the 1927 annex represented a significant step toward the institutionalization of urban planning in Albania. It combined the responsibility of municipalities for planning and implementing urban development with the supervisory authority of the central government. Although it left a certain degree of room for local autonomy, the law preserved the fundamentally centralized character of the system, with ultimate authority vested in the Ministry of Public Works and the Council of Ministers.

At the same time, this act illustrated the Albanian State's efforts to move from a spontaneous and fragmented administration of urban spaces to a structured and planned approach aimed at improving living conditions, public hygiene, and the aesthetic development of towns and villages. In this sense, it marked a foundational moment in the history of municipal law and urban planning in Albania, redefining municipalities not merely as organs of everyday administration but as actors of long-term development and modernization of the country.

5. The Expropriation Law in the Capital

In 1920, the government established by the Congress of Lushnjë was denied entry into the capital city at the time, Durrës, by the local government, which initially refused to recognize the Congress's decisions. For this reason, the government was "temporarily" relocated to Tirana on 17 February 1920. This relocation was, in every case, considered provisional. However, in 1925, through the article-by-article vote of the Fundamental Statute, it was formally determined that Tirana would henceforth serve as the permanent capital city of Albania. Accordingly, the development of Tirana into a proper city became a State priority.

In this context, it was considered that the Ottoman legislation on expropriation no longer met the needs of the new capital, and therefore a new law was enacted specifically addressing expropriations in Tirana. The Law of 23 July 1925 *"On the Expropriation of Properties in the Capital City"* constituted one of the foundational acts of the republican period, aiming to establish a specific legal basis for the implementation of Tirana's Regulatory Plan. It was adopted at a moment when Tirana faced an urgent need for urban transformation and for its consolidation as the political and administrative center of the Albanian State. Its provisions were focused primarily on the procedures of expropriating private property and on the mechanisms of valuation and compensation, thereby reflecting the tension between public interest and private property rights.

From the outset, the law authorized the Municipality of the Capital to expropriate any property deemed necessary for the execution of the plan (*article* 1). This provision affirmed the full competence of local government in the service of public interest, linking urban development directly with the intervention of municipal authority. In this way, the collective interest of the city was placed above individual property rights, yet always within a formal legal framework.

The law also established the criteria for the valuation of properties subject to expropriation. Their price was to be calculated on the basis of the value the property being held from the date of the Congress of Lushnjë, on 21 January 1920, until the date of approval of the capital city's regulatory plan (*article* 2). This provision carried significant political and legal weight, as the date of the Congress of Lushnjë marked the moment of the reassertion of Albanian sovereignty and the functioning of the institutions of the independent State, thereby linking the right to compensation to a foundational moment of State-building.

With regard to procedure, the law entrusted a special commission to determining the price of the expropriated property. This commission was composed of four members: one representative of the local Administrative Council (presiding), one representative of the court, and two representatives of the interested parties. In addition, the municipal engineer participated in a consultative capacity (*article* 3). This composition reflected an institutional balance among administrative authority, judicial power, and private interests, aiming to create a process as fair and impartial as possible. To prevent deadlock, the law provided that in the event of a tie, the matter would be referred to the President of the Court of First Instance, who held the casting vote (*article* 3). This detail revealed the intention to position the judiciary as the ultimate arbiter in an expropriation procedure.

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The decisions of this commission were declared "final and incontestable" (*article* 4), meaning they could not be subject to an appeal. This provision sought to ensure the speed and finality of the expropriation process, avoiding protracted judicial proceedings. At the same time, however, it significantly curtailed the legal remedies available to individuals, thereby reinforcing the authoritarian character of the procedure.

In terms of compensation, the law stipulated that payments were to be made in cash, *in peshin*, meaning, immediately and in full (*article* 5). This principle guaranteed that expropriation would be accompanied by prompt and complete indemnification, thus respecting property rights to a certain degree. A specific provision nevertheless reflected a social sensitivity: for persons who owned no other property besides a single eState or dwelling, the municipality was not only obliged to provide monetary compensation but was also required to grant them, free of charge, a plot of land taken from surplus areas resulting from road construction (*article* 6). This measure demonstrated the State's effort to prevent the absolute impoverishment of citizens through expropriation, ensuring them a minimum level of material security for habitation.

In essence, the law embodied the intersection of three core elements: the public interest in the urban development of the capital city; the guarantee of an expedited procedure to realize this interest; and the preservation of a minimal threshold of rights for private property owners. It was an important act of administrative modernization, placing at its center the idea that Tirana, as the new capital city, had to be transformed according to a regulatory plan, and that such transformation demanded individual sacrifices in the name of the common good.

Nevertheless, it must be emphasized that this law was profoundly centralizing. The decisions of the commission were unchallengeable (*article* 4), the expropriation procedure was mandatory, and local government, closely tied to the central government, possessed broad competence to determine the fate of private property. In this respect, the law reflected the Albanian State's tendency at the time to construct a strong administration, capable of imposing large-scale urban transformations, even when this frequently placed it in tension with individual property rights.

In conclusion, the 1925 law *On expropriation in the capital* may be regarded as one of the first modern acts of Albanian urban planning, intertwining elements of public and private law. It served as an indispensable instrument for the implementation of Tirana's urban plan, while simultaneously standing as an example of the centralized and authoritative model of urban governance characteristic of the Republican period under Ahmet Zogu.

6. The legislation on the municipal finances

The section of the Municipalities Law of 25 December 1921 dealing with local taxation, which was intended to provide the financial means for the organization and functioning of municipalities, was soon deemed insufficient. For this reason, it was first amended by the Law of 6 January 1923, which modified the provisions of Chapter IX of that law. Yet in May

of the same year, another law was published in the *Official Gazette*—the Law of 26 May 1923—which again amended Chapter IX of the Municipal Law of 23 May 1923. The situation appears unclear as to why two separate laws, covering the same field and employing strikingly similar legal language, were enacted, though with provisions differently numbered and with divergent levels of municipal taxation. The latter law, dated 26 May 1923, appears to have prevailed in practice and was subsequently applied, with the Council of State also having the opportunity to pronounce upon its provisions in several cases. For this reason, only this law will be considered in what follows.

Subsequently, the government approved the Decree-Law of 15 February 1926 *"On the Taxes of the Municipality of the Capital"*, which, however, was not ratified by the contemporary Parliament. Shortly thereafter, Parliament adopted instead the Law of 7 June 1926 *"On Municipal Finances"*. The following analysis will therefore summarize the main features of these legislative acts.

6.1 *The Organization of municipal finances under the Law of 26 May 1923*

The provisions on municipal finances contained in the 1923 Municipal Law represented a broad and elaborated normative framework, in which the fiscal interests of the municipalities were closely intertwined with the regulatory and urbanistic functions of urban life. The legislator of the time conceived local financing not merely as a mechanism for revenue collection, but as an integrated system in which every economic activity, every use of public space, and every form of private transaction contributed to the municipal treasury, while simultaneously being subjected to its administrative control.

The definition of sources of revenue (*article*104) constituted the foundation upon which the entire financial system was constructed, clearly reflecting a diversified concept of local income. Revenues derived from immovable property owned by the municipality and from leases constituted the principal element of financial independence, while the sale of municipal assets—closely linked to the collegial approval of the council—served as a mechanism of oversight for the protection of the public interest (*article* 104, letters a–b). Charitable donations and revenues from street refuse, though secondary in nature, revealed an orientation towards the fullest exploitation of resources, combining stable sources with contingent ones. Finally, the taxes and fines provided for by law formed the dynamic component of the system, directly connecting municipal financing with the regulatory competence of local government (*article* 104, letter d).

In this sense, the law extended municipal revenues beyond their mere proprietary character, binding them instead to essential public services. Through *article* 105, municipalities were granted the right to impose tariffs for water, lighting, and means of communication, calculated proportionally to actual expenditure and individual consumption. This provision marked a step towards the logic of service tariffs and proportionality, since payment had to correspond to individual benefit, while the conditions for collection were tied to the status of concessions (*articlearticle* 105). Thus, the principle

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of cost recovery and the possibility of granting concessions for public services established a bridge between local finances and the development of a market economy.

Another important dimension of the law lays in the mechanism of surcharges on State taxes, as provided in *article* 106. This provision granted municipalities the right, in cases where their revenues were insufficient to cover the expenses of urban services, to impose up to a 25% surcharge on taxes collected by the State (*vergji* and *temetÿ*). This form of additional taxation (*centimes additionnels*) closely tied local government to the central fiscal structure, allowing it to benefit from the tax base already established by the State without creating a parallel system. The limitation of the rate to 25% represented a balance between the financial needs of municipalities and the protection of taxpayers from excessive burdens (*article*106).

One of the most sophisticated elements of this fiscal system was the tax on foreign goods entering the city, provided in *article* 107. The municipality was entitled to levy a 1% charge on the value of imported goods, with exemptions for goods in transit, diplomatic consignments, Red Cross supplies, and grain until the next harvest. Beyond ensuring a stable source of revenue for the municipality, this article demonstrated the legislator's concern to balance fiscal interests with the basic need for food and the observance of international immunities (*article*107).

The law also contained specific provisions relating to infrastructure, such as bridges and ferries (*article*108), where it was stipulated that, except in exceptional cases, no tolls would be imposed. This effectively placed the financial burden of bridge maintenance primarily on the State rather than on the citizens.

Articles 109 and 110 had ~~a~~ particular importance, which linked fiscal functions with public safety. These articles mandated the establishment of municipal depots outside urban centers for the storage of hazardous materials such as petroleum, gasoline, spirits, and matches, while imposing taxes on their storage. The exemption of goods in transit and the imposition of strict time limits for storage (*article* 110) reflected an effort to avoid obstructing trade while safeguarding urban safety. This regime served as a typical example of how fiscal policy was interlinked with preventive measures against fires and explosions.

These provisions, however, were constrained by legislation on concessions and monopolies. According to contemporary jurisprudence, companies that had secured concessions in the petroleum sector, as well as the monopoly on matches, were not obliged to store these products in municipal depots but could maintain their own facilities. Likewise, merchants who purchased these products directly from concessionary depots could store them in their own warehouses outside the city. Only if merchants lacked such facilities where they compelled to deposit the goods in municipal depots and pay the corresponding fee.[5]

The provisions on the sale and slaughter of livestock (*articles* 111–115) demonstrated that the legislator considered animal trade a significant source of revenue. With a tax rate of 3.5% on sales and 2.5% on exchanges,

[5] Opinion no. 84, dated 7.7.1934 of the Justice and Administration Section of the Council of State.

as well as detailed fees for slaughter in abattoirs, the law combined fiscal revenue with sanitary control. Here the public policy dimension was evident: ensuring hygiene in slaughtering practices while preventing fiscal evasion in trade (*articles* 111–115).

Similarly, *article*116 established a weighing tax on market goods, while *articles* 117 and 118 introduced fees for the opening of shops and for new constructions. These provisions directly connected local financing with economic and urban development, transforming municipalities into administrators of public space and of the rhythms of construction.

Another interesting aspect concerned the regulation of the use of public space, governed by *articles* 119 and 120 on the display of goods and rents for open-air markets, as well as by *articles* 121–123, which imposed fees on urban transport, games and cafés, and the keeping of dogs. These provisions reflected a broad concept of the municipality as an institution that not only collected revenue but also managed the everyday life of the city, setting boundaries and obligations for every activity that affected public space.

Subsequently, *article* 124 established an obligation for the registration of contracts at the municipality and imposed a tax of 1% on their annual value, thereby conferring upon the latter a dual function, both fiscal and juridical-administrative. This provision granted the municipality the competence to act as a certifying and supervisory institution over contractual relations, thereby reinforcing its role in controlling economic activities and in the formalization of the market (*article*124).

Finally, *articles* 125–131 extended from the requirement that shop signs be displayed in the Albanian language to taxes for street cleaning and for keeping large animals within the city. These provisions demonstrated that the legislator conceived of local government as a comprehensive organism, responsible not only for revenue generation but also for the maintenance of order, hygiene, and the visible assertion of national identity in urban life.

Taken together, these provisions placed municipal financing in close connection with administrative control, with the management of public space, and with the regulation of urban life. They expressed a vision in which the city, through the municipality, became a financially self-sustaining and regulatory-disciplined organism. In this way, the 1923 law was not merely a fiscal statute but a comprehensive instrument of State-building at the local level, merging in a single framework the functions of finance, urban planning, commerce, and national identity.

6.2 *The Organization of the Finances of the Capital, according to the Decree-Law of 15 February 1926* "On the Taxes of the Municipality of the Capital"

The Decree-Law of 15 February 1926 "On the Taxes of the Municipality of the Capital" aimed to secure regular revenue streams for the municipality so that it could sustain essential services for citizens and build an infrastructure befitting a State capital. In essence, it set out a detailed system of tariffs and taxes on immovable property, commercial activities, means of transport,

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food products, consumer goods, and public services, attempting to harmonize the public interest with the fiscal burden placed upon citizens and traders (*articles* 1–3).

One of the principal elements of this law was the introduction of a cleaning and lighting tax on all buildings within the municipal boundaries, thereby linking financial obligations with concrete and essential urban services (*articles* 1–3). This mechanism had a dual function: it ensured municipal revenue while strengthening citizens' responsibility towards the shared public space. Likewise, a special regime was established for the opening of entertainment venues, theatres, cinemas, and other places of leisure, which not only required prior authorization but were also subject to significant taxes that varied according to the type of activity and the importance of the location (*article*4). In this way, the law demonstrated a modern sensibility in linking the urban economy with administrative and fiscal control, establishing a clear relationship between the use of public space and the obligation to contribute to its financing.

An important part of the provisions concerned the registration and taxation of means of transport, ranging from carts to automobiles and trucks, as well as the introduction of identification numbers for every building and shop (*articles* 5 and 13). This system not only generated revenue but also contributed to the creation of a more organized urban order, representing a step toward the modernization of Tirana along European models. Another innovative element was the tax on signs and commercial advertisements, which not only provided income but also established an aesthetic and functional control over public space (*article* 7).

In the sphere of commerce and food supply, the law imposed taxes on the weighing of goods, the sale of livestock, contracts of sale and purchase, dogs, as well as on various food and industrial products entering the city. The latter were subjected to the *octroi* tax, a classical municipal tariff in European cities, intended not only to generate revenue but also to ensure control over the quality and quantity of goods circulating in the market (*article*18). The *octroi* included a detailed list of foodstuffs, ranging from meat and fish to processed products, beverages, luxury items, and even building materials and everyday consumer goods. This revealed not only an intent to capture a broad tax base but also to tie municipal revenue directly to the growth of trade and urban economic life.

The law also contained protective social provisions, such as the exemption of dogs used for guarding or herding from taxation (*article* 14), or the prohibition of private depots for flammable goods, except for those controlled by the municipality, thereby granting it a monopoly over both regulation and revenue concerning these dangerous categories of merchandise (*article*16). Similarly, the establishment of a general scientific abattoir was foreseen, marking a step toward sanitary modernization and the regulation of food quality (*article*17).

In the broader framework, this decree-law represented an interweaving of the need to raise funds for the capital with the ambition to modernize municipal administration, by creating new mechanisms of control over commerce, property, means of transport, and public services. It also marked a clear departure from earlier regulation, as it repealed several provisions of the 1923 Law on Municipal Finances that conflicted with its

provisions (article 20), thus placing Tirana under a distinct and more advanced fiscal regime, consistent with its status as the new political and administrative center of the State. In this sense, its provisions were not merely fiscal instruments but rather a clear reflection of the process of building the modern Albanian State, in which the capital became the first laboratory of urban regulation, administrative order, and financial modernization (*articles* 21–22).

Nevertheless, this decree-law was not transformed into a permanent law by the Parliament of the time, which instead approved the Law of 7 April 1925 "On the Abrogation of the Decree-Law on the Taxes of the Municipality of the Capital," thereby reinstating the Law of 26 May 1923 for the Municipality of Tirana as well. It appears that the legislator's intent was to ensure that, in terms of revenue, the capital city would not enjoy a separate legal regime, particularly since, one year later, a special law was enacted on municipal taxes that extended its regulatory scope to all municipalities.

6.3 *The Organization of Municipal Finances under the Law of 7 June 1926* "On Municipal Finances"

The Law of 7 June 1926 *On Municipal Finances* represented the next significant attempt to consolidate a stable financial system for local government and to establish a clear legal framework regulating the relationship between municipalities, citizens, and the central government. This normative act did not limit itself to defining sporadic taxes for the direct benefit of municipalities; it rather constructed a genuine system of local taxation, granting municipalities a dual character: on the one hand, as institutions of local self-government, and, on the other, as financial entities capable of exercising functions often resembling those of a public enterprise. For this reason, the law must be seen as a cornerstone in the development of municipal financial autonomy in Albania during the 1920s.

From the outset, the law defined a multifaceted nature of municipal revenues, which were not confined to classical sources of taxation but also included income from the management of immovable property, from the sale of municipal land approved by the municipal council, as well as from donations and transactions directly linking urban development to fiscal benefit (*article* 1). This concept demonstrated that the legislator understood that the economic base of a municipality could not be restricted to the collection of a few simple taxes, but had to be tied to the real assets of the territory and to processes of urban transformation. In this sense, the opening provision signaled, in a certain way, the birth of a new conception of local finance, in which public investment, urbanization, and fiscal autonomy were integrated into one.

Another fundamental element of this law was the definition of the municipality as an active agent of essential services. The law granted municipalities the right, when providing water, light, or means of communication, to charge fees proportionate to the service delivered, thus conferring upon them the status of a public enterprise (*article* 2). This provision legitimized a practice that had already begun to spread in Europe

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since the nineteenth century, namely the system of municipal concessions. If the municipality delegated the provision of such a service to a private company, the concession statute clearly defined the tariffs and obligations, thereby creating a legal relationship between the citizen and the private operator. This regulation revealed that since 1920s Albania had begun to adopt a contractual and modern logic of public service management, placing the country on the same path as contemporary Western experiences.

Furthermore, the law established clear mechanisms for securing additional municipal resources by granting municipalities the right to impose a supplementary tax of up to 50% on the *temeté* and *vergji* (taxes collected by the central government), thereby creating a dual but coordinated fiscal system (*article* 3). This provision essentially represented a collective contribution of citizens to meet the growing costs of public services, while at the same time preserving central government oversight, since such supplements required State approval. In this way, financial autonomy was not conceived as unlimited, but as a competence subject to central supervision.

The jurisprudence of the time confirmed this principle, particularly in relation to the establishment of services for maintaining water channels flowing into the city, recognizing them as public goods, while also specifying that the revenues collected could not be used for other purposes.[6] Such decisions, however, necessarily required the participation of the municipal council and the administrative council with jurisdiction over that territory, and their legal effect extended only to the specific municipality that had initiated the procedure. Thus, despite the fact that an Administrative Council of a prefecture exercised jurisdiction over the entire prefectural territory, decisions of this nature applied solely to the municipality that had requested the adoption of such a measure.[7]

The subsequent provisions further expanded the role of the municipality, incorporating it into the management of infrastructure (*article* 4), public safety through the storage of hazardous materials (*articles* 5–6), and the protection of health and hygiene through the regulation of animal slaughter (*article* 14). Each provision had a dual nature: it generated revenue for the local budget while simultaneously imposing rules on urban life, thereby presenting the municipality as the authority closest to the citizens.

On a broader scale, the law envisaged for the first time the direct participation of municipalities in customs revenues through a 7% tax on imported goods (*article* 7), along with a special levy for the capital city (*article* 8). Here, the concept of vertical revenue-sharing became evident, whereby local government benefited from national trade, transforming local finance into an instrument closely tied to the country's overall economic development. The entire system of revenue distribution, according to the classification of municipalities (60%, 30%, 10%), revealed a deliberate strategy of fiscal differentiation based on the size and significance of cities.

The law also regulated the use of public space in the context of periodic commercial activities, such as market days and fairs, by imposing

[6] Decision no. 23, dated 14.8.1929 of the Administration Section, approved by Decision no. 79, dated 24.8.1929 of the General Meeting of the Council of State.
[7] Decision no. 25, dated 27.9.1929 of the Administration Section of the Council of State.

an obligation on all vendors occupying designated spots to pay a "place tax" (*article* 20). The fact that the determination of this tax was left to the Municipal Council demonstrates the legislator's intent to guarantee flexibility and the adaptability of fiscal policies to local market characteristics. At the same time, this provision affirmed the municipality's financial sovereignty in the use of public assets for temporary economic purposes.

In applying this provision, a debate arose as to whether the tax should be paid by traders who had occupied a spot but had not managed to sell any of their products. Jurisprudence was unequivocal in affirming that the tax had to be paid in such cases, since it operated as a form of rent for the use of public space and was not contingent upon whether or not the trader had achieved profit.[8]

A further provision represented a clear attempt to incorporate the entertainment and leisure sector into the taxation regime (*article* 23). This regulation introduced a two-tiered taxation system: first, an immediate fee for opening an entertainment activity, ranging from 10 to 500 gold francs and payable only once, and second, a daily tax for the continuation of the activity, ranging from 5 to 100 gold francs, depending on the "importance of the work." This formula established a dual taxation framework, based both on the nature of the activity and its duration, granting the municipality direct control over the dynamics of social and cultural life within its territory.

The list of activities considered "places of entertainment" was particularly broad. It encompassed traditional forms of amusement such as theater, circus, *karagjoz* (comic puppet shows), and concerts, but also modern forms for the time, such as cinema, skating, piano, and harmonica performances. This reflected the emergence of an urban culture gradually adopting elements of Western modernity. The provision thus positioned entertainment activities in an intermediate role, being both an economic source for entrepreneurs and a taxable object for the community insofar as they exploited public space and public interest. Moreover, the requirement to obtain municipal authorization for opening such activities gave local administrations a regulatory role not only over the fiscal dimension but also over the moral and cultural content of public life.

Contemporary jurisprudence excluded from taxation those entertainment venues that made use of the gramophone, on the grounds that its use did not depend upon any particular skill of an operator. Moreover, gramophone music could be heard by individuals outside the premises, thereby providing no direct benefit to the proprietor of the establishment[9].

In another case, when assessing whether a shooting gallery with *flobert* rifles ought to be taxed, it was concluded that such an activity could not be classified as a place of entertainment within the meaning of Article 23 of the law. The reasoning was based on the distinction between activities intended for collective and aesthetic amusement—such as music, dance,

[8] Opinion no. 120, dated 29.12.1932 of the Justice and Administration Section, approved by Decision no. 543, dated 31.12.1932 of the General Meeting of the Council of State.
[9] Opinion no. 109, dated 8.7.1930 of the Justice Section, approved by the Decision no. 344, dated 8.7.1930 of the General Meeting of the Council of State.

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theatre, and circus—and those of a limited practical or sporting character. Since the shooting gallery lacked clear elements of amusement, charged no entrance fee, and did not generate a genuine experience of entertainment for the public, it could not be subjected to the tax prescribed for venues of entertainment. Furthermore, it was emphasized that every tax obligation had to be grounded in clearly expressed legal provisions and not derived by analogy. For these reasons, the application of Article 23 to such an activity was deemed unjustified, and the gallery was treated as a sporting facility rather than an entertainment venue in the sense contemplated by the law[10].

Another situation brought into discussion was whether the municipality had the power to close entertainment venues that failed to pay the daily tax established by the municipal council. It was concluded that, in the absence of an explicit legal provision, such an action could not be undertaken[11].

The law also introduced a mandatory regime for the display of identification signs in front of shops and commercial institutions, setting detailed rules concerning the language, content, size, and placement of signs. Each sign was required to be written in the Albanian language, to include the name of the owner and the nature of the business, while the use of a foreign language was subject to double taxation and restricted to occupying only half the space allotted to Albanian. Additionally, signs projecting into the street were subject to triple taxation, and minimum dimensions were fixed at 60x40 cm. This article represented a direct intervention of local government into public aesthetics and the protection of the national language, a measure with an overtly cultural and national significance for the period (*article* 28).

As previously noted, contemporary jurisprudence extended the application of this provision to lawyers, doctors, and other liberal professions[12], as well as to individuals owning automobiles and garages[13]. Jurisprudence further clarified the scope of the rule, specifying that it applied exclusively to commercial entities, but not to educational or charitable institutions.[14]

One of the most significant aspects of the law lays in its attempt to formalize economic life and private relations through a system of mandatory notarial oversight for lease contracts (article 27), the regulation of measuring and weighing instruments (article 32), and the taxation associated with the licensing of liberal professions and service activities (article 16). With respect to the latter, contemporary jurisprudence clarified that the requirement of "first opening" referred to the commencement of a commercial activity and not necessarily the opening of a physical premise.

[10] Opinion no. 18, dated 7.3.1933 of the Justice Section, approved by the Decision no. 53, dated 7.3.1933 of the General Meeting of the Council of State.
[11] Opinion no. 111, dated 20.10.1933 of the Justice Section, approved by Decision no. 348, dated 26.10.1933 of the General Meeting of the Council of State.
[12] Opinion no. 114, dated 13.12.1932 of the Justice Section, approved by decision no. 522, dated 13.12.1932 of the General Meeting of the Council of State.
[13] Opinion no. 30, dated 31.3.1934 of the Justice Section, approved by decision no. 84, dated 3.4.1934 of the General Meeting of the Council of State.
[14] Opinion no. 39, dated 26.4.1934 of the Justice Section, approved by decision no. 120, dated 30.4.1934 of the General Meeting of the Council of State.

Consequently, the relocation of a business within the same municipality did not trigger a new liability to pay this tax[15]. Furthermore, this charge was also applied to liberal professions such as lawyers, doctors, and others[16]. The operation of multiple means of transport, as well as the maintenance of garages for their storage and upkeep, was likewise considered a commercial activity subject to taxation[17]. The jurisprudence of the time also established that if a person had already paid this tax for the exercise of a given profession, subsequently ceased the activity, and reopened it after some time, no further payment was required. The situation was different, however, where the reopening involved a new profession: in such cases, the tax became payable again under the relevant provision. Moreover, the transfer of a commercial premise from one operator to another necessitated the payment of the tax by the new subject[18].

With regard to developments in urban infrastructure, the law granted municipalities the right, following the widening or opening of streets and squares, to levy a one-time tax amounting to 30% of the increase in the property's value before and after the improvement. The valuation was carried out by a board of experts composed of a municipal representative, one from the administrative council, and one from the interested party. In cases of disagreement, the law provided for the intervention of a judicial representative, whose decision was final (*article* 31). Attempts were made to challenge these decisions when the judicially determined tax amounts were deemed too low by State authorities. Yet the prevailing jurisprudence held that such judicial decisions could not be refused implementation.[19]

This provision represented a clear application of the principle of benefit in taxation, whereby those who directly profited from public investments were obliged to contribute proportionally. Notably, this obligation extended to properties belonging to religious endowments (*vakëf*) and even to the State itself, thus reflecting a neutral and egalitarian stance before the law. Nevertheless, contemporary jurisprudence excluded from this tax the newly constructed government buildings that today constitute the center of Tirana. The reasoning was that such structures were considered *domanial* property destined for public services and utilities, whereas the purpose of article 31 was to impose the levy only where municipal works themselves enhanced the value of such properties[20].

The law also regulated the financial contribution of property owners for sidewalks constructed by the municipality. Owners of buildings were obliged to pay half of the cost of sidewalks in front of their premises, while those owning only plots or gardens were required to pay one third.

[15] Decision no. 426, dated 12.9.1930 of the General Meeting of the Council of State.
[16] Opinion no. 114, dated 13.12.1932 of the Justice Section, approved by decision no. 522, dated 13.12.1932 of the General Meeting of the Council of State.
[17] Opinion no. 30, dated 31.3.1934 of the Justice Section, approved by decision no. 84, dated 3.4.1934 of the General Meeting of the Council of State.
[18] Opinion no. 31, dated 4.4.1934 of the Justice Section, approved by decision no. 97, dated 5.4.1934 of the General Meeting of the Council of State.
[19] Opinion no. 184, dated 14.9.1931 of the Justice Section, approved by decision no. 832, dated 14.9.1931 of the General Meeting of the Council of State.
[20] Opinion no. 104, dated 2.11.1932 of the Justice Section, approved by decision no. 439, dated 5.11.1932 of the General Meeting of the Council of State.

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Furthermore, all *vakëf* and government buildings were subject to this obligation, with no exceptions recognized. The municipality retained the right to calculate proportionally the surface area that each owner had to contribute. In the case of sewer systems, a distinction was made between general systems, financed by the municipality, and private systems, for which responsibility fell entirely on the property owner (*article* 38).

According to the jurisprudence of the time, this type of tax did not extend to government buildings erected by the State itself, since such cases did not involve the improvement of sidewalks[21]. With respect to religious endowments (*vakëf* properties), the case law distinguished between those used directly for prayer and religious services, which were exempt from taxation, and those leased or otherwise generating profit for religious communities, which were subjected to the levy[22].

The 1926 law also revealed particular care in balancing public interest with religious and social sensitivities. The exemption from tax of animals slaughtered during religious feasts (article 14), as well as the restriction of the dog tax solely to animals kept for luxury or hunting purposes (*article* 26), demonstrated a social and cultural awareness rarely found in the legislation of the period, thereby conferring upon the act a humanizing dimension.

An especially noteworthy provision was enshrined in article 46, establishing a special regime for the collection of municipal revenues by combining three distinct elements: (a) the short time limit for payment, (b) the immediate enforceability of the administrative decision, and (c) the conditional right of appeal only after full payment of the obligation. First, the individual subject to a tax or fine was required to pay it within ten days of official notification, a mechanism that provided the municipality with an efficient instrument for ensuring liquidity and preventing delays that could jeopardize public revenue collection (article 46). The expiry of this time limit, calculated from the date of communication, rendered the administrative act final and binding[23].

Second, at the end of this period, the decision of the Municipal Council entered the enforcement stage "according to the laws" governing the execution of taxes and fines—a formulation indicating that the municipal administrative act carried binding force without the need for further judicial verification. In this way, municipal fiscal and punitive measures followed the same enforcement trajectory as other public obligations, strengthening the authority of the local body while lowering the administrative costs of enforcement (article 46). At the time of its adoption, however, the general enforcement framework was still lacking and was later completed by the

[21] Opinion no. 104, dated 2.11.1932 of the Justice Section, approved by decision no. 439, dated 5.11.1932 of the General Meeting of the Council of State.
[22] Opinion no. 117, dated 16.11.1933 of the Justice Section, approved by decision no. 362, dated 20.11.1933 of the General Meeting of the Council of State. See also Opinion no. 52, dated 30.5.1934 of the Justice Section, approved by decision no. 147, dated 1.6.1934 of the General Meeting of the Council of State.
[23] Opinion no. 205, dated 16.11.1931 of the Justice Section, approved by Decision no. 921, dated 19.11.1931 of the General Meeting of the Council of State.

Law of 29 March 1932 *On the Collection of Revenues*, in which the first part of Chapter II became applicable[24].

Third, the right to appeal was conditioned by the requirement that the obligated party fully discharge the liability before initiating a challenge. Only thereafter was a twenty-day period granted for filing an appeal before the courts. This legal solution ensured the continuity of public revenues and curtailed the misuse of legal remedies as a means of delaying payment. Moreover, the appeal did not have suspensive effect, thereby prioritizing the protection of public interest in securing financial resources over the individual's right to delay enforcement (*article* 46).

Nevertheless, the case law of the time clarified that this provision did not extend to other obligations that the municipality might impose or derive under contracts concluded with private parties[25].

Finally, article 47 and the subsequent 1927 annex demonstrate that the law was not rigid, but rather a flexible instrument capable of adapting to reality. The termination of contracts with municipal tax contractors (*article* 47) produced harmful consequences that required further legislative intervention to provide compensation, notably by involving chambers of commerce in the assessment process (Annex of 1927). This indicates that Albanian lawmakers had begun to develop balancing mechanisms between the public interest and the protection of private rights.

In summary, this law represented a milestone in the institutionalization of local finances in Albania during the 1920s. It combined elements of classical fiscality with modern measures of urban control, incorporated social and cultural dimensions through respect for customs and the national language, and established a clear system of procedures that granted municipalities not only revenues but also institutional identity. In this sense, the 1926 Law *On Municipal Finances* was not merely a financial act, but a veritable code of urban life, marking an important step toward the modernization of the Albanian State and the transformation of municipalities into an indispensable component of public governance.

7. The Organization and Functioning of the Capital City Municipality under the Law of 4 June 1928 "*On the Municipality of the Capital*"

The Law of 4 June 1928 "On the Municipality of the Capital" constituted a foundational act in the urbanization and institutionalization of Tirana as the political and administrative center of the Albanian State. The organization of the capital city held special significance, not only for the practical functioning of civic services but also for the symbolic affirmation of the modern State. The provisions of this law articulated a clear vision whereby the capital city was to have a distinct and more sophisticated organization

[24] Opinion no. 77, dated 2.9.1932 of the Justice Section, approved by Decision no. 344, dated 3.9.1932 of the General Meeting of the Council of State.
[25] Decision no. 181, dated 7.6.1933 of the General Meeting of the Council of State.

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than other municipalities in the country, reflecting its dual role as both an urban space for its inhabitants and the political center of the nation.

From the outset, the law introduced a terminological and institutional innovation by conferring upon the head of Tirana's municipality the title "Prefect of the Capital" (*article* 1). This designation distinguished him immediately from other municipal leaders, elevating him to an intermediate rank between the local executive and the representative of central authority. His appointment by presidential decree, upon the proposal of the Ministry of the Interior, granted this figure a State-level status and made him a symbol of the direct linkage between the capital city and the central government. In this way, Tirana was not perceived as an ordinary municipality, but as a privileged space where the sovereignty of the State was projected most visibly.

The structure of local organization was dual, as the law provided for both the Municipal Assembly and the Permanent Council *(article* 2). The Assembly, composed of 24 members, represented the urban society in its diversity, including merchants, liberal professionals, and other citizen representatives (*article* 3). This formulation sought to create a pluralistic body in which different strata of the city could have a voice in local administration. The criteria of eligibility and candidacy, linking the right of representation with citizenship, literacy in the Albanian language, and permanent residence (*articles* 4–5), clearly reflected the State's effort to construct a modern civic administration tied to national culture and divorced from prior Ottoman practices.

Elections were held under the supervision of a commission chaired by the Prefect of the Administration and included the judiciary as a guarantor of regularity (*article* 6). This combination of citizen representation and State oversight created a new equilibrium: while the capital city had an elected assembly, it lacked absolute autonomy, remaining constantly under the vigilance of central authority.

The functions of the Assembly were primarily budgetary and supervisory in nature (*articles* 9–10, 13). It examined and voted on the budget, ratified financial accounts, and possessed the authority to establish investigative commissions against the Prefect or the Permanent Council in cases of abuse (*article* 11). This mechanism of oversight, combined with the possibility of referring cases to the courts, demonstrates that the Albanian legislator sought to construct a system of internal checks and balances, providing citizens with a degree of protection against executive authority. Nevertheless, the intervention of the presidential decree in the trial of the Prefect (*article* 11) reveals that the logic of centralization continued to prevail, and that local autonomy remained limited by the imperative of maintaining central control.

Alongside the Assembly, the Permanent Council (*articles* 16–20) functioned as the executive body, chaired by the Prefect. Its composition was filtered through the Ministry of the Interior (*article* 17), which illustrates that the local executive was not solely subject to citizen election but also to approval by the central government. In this manner, the law constructed a hybrid administration in which civic representation coexisted with State oversight.

A particularly modern element was the functional organization of the Municipality into distinct sections: financial, health, technical, inspection, secretariat, and civil status (*article* 22). This division endowed the Capital with a bureaucratic structure comparable to that of major European cities. The financial section possessed notarial authority and managed the city's contracts (*article* 23), thereby granting the Municipality a direct role in the formalization of private relations. The health section, staffed with physicians and midwives (article 24), reflects the State's concern for public hygiene and health at a time when epidemics remained a tangible threat. The technical section, dominated by engineers, provided Tirana with a clear orientation toward urbanization and infrastructural modernization (*articles* 25–27). A particular innovation was the civil status section (*article* 31), which for the first time registered the capital's population with precise data on births, marriages, deaths, and migrations, thereby laying the foundation for a modern administration of citizenship.

The rules concerning the appointment and career of officials (*articles* 32–37) represented an advance in the professionalization of the administration. The criteria of nationality, morality, age, and public competition clearly demonstrate the aim of constructing a depoliticized administration based on merit. However, the provisions requiring the approval of the Ministry of the Interior for appointments with higher salaries (*article* 37) made evident that the Municipality's autonomy was consistently circumscribed by central control.

As for the final provisions, they consolidated the connection of the Capital with the Ministry of the Interior (*article* 42) and granted the Prefect direct competence to execute the decisions of the councils, including the use of police force for the collection of dues (*article* 43). This latter article, which also provided for imprisonment of up to ninety-one days for the non-payment of fines or taxes, reflected both the severity of the fiscal administration of the period and the inclination to strengthen fiscal discipline as the foundation of State functioning. Nevertheless, contemporary jurisprudence specified that this provision could not be applied to State officials; in such cases, only the seizure of salaries was permitted, subject to a judicial decision.[26]

In its entirety, the 1928 law was not merely an act concerning the organization of a particular municipality. It was, rather, a political and administrative manifesto regarding the role of Tirana as the capital. It combined elements of local democracy, through the election of the Assembly, with the logic of State centralization, embodied in the figure of the Prefect and the filtering role of the Ministry of the Interior. It introduced a spirit of modernization through functional sections, transforming the Capital Municipality into a laboratory of European-style urban governance. At the same time, it reflected the tensions of the period: between local autonomy and central control, between civic representation and the predominance of the executive, and between the need for urban development and the constraints of economic reality.

[26] Opinion no. 205, dated 16.11.1931 of the Justice Section, approved by decision no. 921, dated 19.11.1931 of the General Meeting of the Council of State.

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Accordingly, the 1928 Law *On the Municipality of the Capital* should be regarded as a turning point in the history of Albanian local administration. It was not only a regulatory instrument but also a political project aimed at affirming Tirana as the heart of the State and as a model of modern administration that could eventually be disseminated nationwide.

8. Conclusions

From the analysis of the 1920s legislation on local government, it emerges clearly that this was a system built upon the principle of centralization, with a limited autonomy being more formal rather than substantive. The 1925 Statute did not devote any specific provision to local governance, leaving the field to be regulated by ordinary laws and thus following the tradition of the Statute of Lushnjë, in contrast to the 1914 model, where local power had been a visible element of State architecture. The 1922 Law *On Civil Administration* established a clear pyramid of authority—prefectures, sub-prefectures, districts, and villages—where local officials represented vertical extensions of central power. Collegial bodies such as administrative councils and village elders offered a degree of representation but were always under the supervision of the government. The 1928 law further consolidated this model by strengthening the role of the Prefect and constructing local administration as a chain strictly controlled from the center, while still preserving some traditional elements such as the village elders.

In the domain of municipalities, the 1921 law and its subsequent amendments, as well as the 1926 Law *On Municipal Finances*, introduced detailed and qualitative legislation inspired by European models. Municipalities were vested with competences in the fields of finance, urban planning, hygiene, and public services, transforming them into institutions that resembled a hybrid system between administrative organs and public enterprises. Yet, their autonomy remained conditional upon the approval of central authorities, as every major decision was subject to the scrutiny of the Ministry of the Interior or the Council of Ministers.

The 1928 Law *On the Municipality of the Capital* deepened this tendency, elevating Tirana into a unique case: an urban municipality with a sophisticated structure, representative organs, and a functionally divided apparatus, but one clearly directed by the central government through the figure of the Prefect. It was a law of high quality and modern spirit, introducing innovations such as civil status registration and specialized technical and health sections, but which nevertheless preserved the logic of centralization and the limitation of local autonomy.

The legislation of this period embodied a mixture of local traditions and modern European models, producing laws that were clear, structured, and of notable quality, but which in substance remained instruments of the State for extending control over the territory. Local autonomy was more façade than reality, while local power functioned primarily as a tool of the State for building administrative order and consolidating central authority in a fragile phase of Albanian State formation.

The quality of the legislation may be regarded as good in technical terms, since the laws were detailed, well-structured, and inspired by modern

models of European administration. Nevertheless, in substance, they reflected more the need for control and discipline than for local democracy and genuine self-government. Nowhere do we find the spirit of authentic decentralization; rather, the laws reveal a clear intention to bind the territory closely to the center, to prevent the risks of fragmentation, and to ensure a uniform administration throughout the country.

Overall, the legislation of this period displayed a high degree of clarity, detail, and effort to create a stable and functional administration. It combined elements of local tradition, such as the *pleqësia* (councils of elders), with a modern and hierarchical structure inspired by Western—particularly French—models. At the same time, however, this legislation was profoundly centralized, leaving very little room for genuine local autonomy. The autonomy of local power was more formal than real, while community representation was limited in scope and always subject to close supervision.

Finally, from the analysis of the legislation on municipal finances, it may be concluded that 1920s Albania constructed a normative system aimed at ensuring the financial stability of local government and at linking it to the urban and economic development of the cities. The quality of this legislation was high, with detailed and well-thought-out. Yet, local organization remained essentially centralized, and municipal autonomy was restricted—more formal than substantive. Municipalities appeared as institutions playing an important role in the administration of urban life, but always within the boundaries set by central authorities. In this sense, the local power of the period was more a State instrument for extending control and building a new administrative order rather than an expression of genuine self-government. This reality represented the necessary compromise of the time: the strengthening of the young Albanian State through centralization, even at the cost of sacrificing true local autonomy.

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