Cities and Rural Municipalities



Brenda Purtsak. Dancers. Charcoal, oil and oil stick on canvas. 2025 (fragment of the work)

The Estonian Constitution guarantees the autonomy of cities and rural municipalities, that is, the right to decide and organise all local matters independently. The Riigikogu, the Government and ministries must respect the autonomy of local government. Naturally, cities and rural municipalities must also comply with the requirements of the Constitution and other laws in their activities. Local authorities must respect individuals' fundamental rights and freedoms, use taxpayers' money prudently and conduct their affairs honestly. The common fundamental principles of democratic local self-government in Europe are laid down in the European Charter of Local Self-Government and its Additional Protocol.

A local authority is not a subordinate agency of the executive branch of central government, but nor is it, so to speak, a state within a state. The purpose of local government is to resolve local matters as a community in a way that is appropriate for the particular city or rural municipality.

The state must support local authorities: arrangements must enable cities and rural municipalities to perform their functions and ensure that sufficient funding is available to promote local life. The state may also, based on law, impose national duties on cities and rural municipalities, but sufficient funds for performing those duties must be provided from the state budget. Local budgets and the state budget are separate.

During the reporting year, the Chancellor helped to resolve a number of problems concerning the internal organisation of cities and rural municipalities and examined whether regulations adopted by local authorities complied with the Constitution and the law. The Chancellor also monitored whether cities and rural municipalities performed their public duties lawfully and respected individuals' fundamental rights and freedoms.

Social Welfare Functions

Cities and rural municipalities have important public functions to perform in the field of social welfare. At the same time, there are shortages of staff and funding, and difficulties arise in balancing different interests, among other things. These functions must be performed in accordance with the law, regardless of whether they are local government or state functions. This means, among other things, that cities and rural municipalities must keep abreast of legislative amendments and amend their own legislation accordingly.

On 27 January 2026, the Chancellor sent local authorities a memorandum entitled "Performance of Local Authorities' Social Welfare Functions". The memorandum examined in greater detail three matters of local concern: benefits paid voluntarily, childcare service for children with extreme need for assistance and support, and the obligation to arrange a place in a care home.

If a local authority decides to pay a benefit or grant a concession (such as a reduction in kindergarten fees, support for hobby activities, a school-start allowance or a school graduation allowance) without being required to do so by law, this constitutes a voluntary local government function. Local authorities undertake such functions voluntarily.

Local authorities have a wide margin of discretion in determining the conditions for receiving voluntary benefits and concessions, but that discretion is not unlimited. For example, when voluntarily paying benefits, cities and rural municipalities must observe the principle of equal treatment.

There must be a reasonable and relevant reason for legislation under which some people receive a benefit while others do not.

Before establishing the conditions for payment of a benefit, a local authority should consider possible exceptional circumstances; otherwise the outcome may prove unfair. For example, if a benefit is paid only to a child who has lived in a particular city or rural municipality for a specified period, this may place an orphan who has recently moved in with relatives at an unjustified disadvantage, as the child cannot possibly meet that condition. Situations involving children with disabilities or children growing up in blended families also require careful consideration.

Flexible conditions for paying benefits can help to avoid such problems. The authority establishing a benefit cannot always foresee every possible exceptional case. When granting such discretion, the municipal council should also define its purpose and limits.

In several cases, the Chancellor has asked cities and rural municipalities to explain why people are treated differently. It is encouraging that cities and rural municipalities have considered these issues and have often amended their regulations when it has become apparent that there is no relevant reason for different treatment.

On 1 September 2025, legislative amendments entered into force requiring cities and rural municipalities to organise childcare service for children with extreme need for assistance and support (Social Welfare Act, §§ 45^{1}–45^{4}). The Chancellor pointed out that regulations adopted by cities and rural municipalities must take account of the changed legal framework. Otherwise, a local authority regulation concerning social welfare assistance may restrict entitlement to childcare service more than the law permits.

A child with extreme need for assistance and support does not necessarily have to be a child with a severe or profound disability. Under the law, this is a child in need of assistance within the meaning of the Child Protection Act who, due to their mental or physical health, requires more care, supervision and other support than children of the same age on average (§ 45^{1}(2) of the Social Welfare Act).

Cities and rural municipalities must also provide childcare service to young people over the age of 18 who are continuing their education. If a child turns 18 but continues studying in basic school, upper secondary school or formal vocational education, childcare service is guaranteed until the end of the academic year (31 August) or until the student is excluded

from the school. The law provides for the same exception where a child without secondary education participates in a daytime in-service training course at a state agency administered by the Ministry of Education and Research (see § 45^1(4) of the Social Welfare Act and, on funding, § 156(3^3)).

The purpose of childcare service is not merely to provide childcare while a parent is at work. The service is intended to reduce the care burden of a person raising a child with extreme need for assistance and support, promote that person's ability to cope or work, and support the child's well-being and development. Under the law, the service is needed primarily in the evenings and at weekends (§ 45^1(1) and (3) of the Social Welfare Act).

The Chancellor asked cities and rural municipalities to critically review their regulations governing childcare service and bring them into conformity with the law (see also the Supreme Court judgment of 19 December 2019 in case No. 5-18-7/8). In spot checks of these regulations, the Chancellor's advisers identified the following problems:

- childcare service is provided only to children with a severe or profound disability;
- the age limit for children is set lower than prescribed by law: for example, some regulations provide that the service is available only until the child turns 18 or until the end of the calendar year in which the child turns 18;
- entitlement to childcare service is restricted in other ways contrary to the law. For example, some regulations provide that the service is available only to a child whose need for care is specified in a rehabilitation plan; that the service is provided only during working hours on weekdays; or that a family is not entitled to the service if a parent receives parental benefit.

The Chancellor reminded cities and rural municipalities that they should also review the information about childcare service published on their websites. People must receive accurate and clear information about the service. For example, a website must not contain misleading information stating that childcare service is provided only to children under the age of 18.

Arranging a care home place for a person, including finding and financing that place, is by its nature a local government function of cities and rural municipalities. Under the Social Welfare Act, the local authority decides in which care home a person in need of assistance is given a place (Supreme Court judgment No. 5-23-38/48, para. 96).

The Chancellor has previously explained to cities and rural municipalities that, under § 22¹(1) of the Social Welfare Act, the local authority must cover the care costs included in the price of a care home place: the salary costs of care workers and assistant care workers, the cost of working clothes and personal protective equipment, health checks and vaccination, training and supervision (hereinafter care costs).

The person remains responsible for accommodation and catering costs and other costs related to provision of the service. Where necessary, the local authority must also help the person cover these costs (§ 16 of the Social Welfare Act).

A person is not required to cover costs which, under the Social Welfare Act, must be covered by the local authority (Supreme Court judgment of 5 July 2024, No. 5-23-38/48, para. 94).

The Social Insurance Board has published on its website the limits set by cities and rural municipalities for covering care costs. Comparing these limits with the prices of care home places shows that the limits set by several local authorities do not make it possible to:

1. cover the care costs included in the service price of any care home; or

2. provide a person with a care home place in their home city or rural municipality, or at another location within a reasonable distance of their residence, while ensuring that the city or rural municipality fully covers the care costs included in the price of the care home service.

Under § 14 of the Constitution, a local authority must guarantee people's fundamental rights. To do so, it must comply with the requirements laid down by law. If a local authority considers that the funding system established by the Riigikogu does not enable it to do so, it may apply to a court.

The protection of people's fundamental rights also depends on the nature of the care home place arranged for them. Where a local authority arranges a care home place for a person in need of assistance, that place must meet the requirements laid down by law. During inspection visits, the Chancellor has observed shortcomings in the quality of the service. Although conditions in care homes have gradually improved over the years, they often still have too few care workers.

The well-being of care home residents depends to a large extent on whether the care home has enough staff with the necessary skills. When staff are overburdened, they are not always able to give residents sufficient attention, which may undermine the human dignity of care

home residents. It must be ensured that at least the minimum required number of care workers are on duty at all times. Under a regulation of the Minister of Social Protection, these requirements had to be met by 1 July 2026 at the latest.

The Chancellor examined whether a provision of Räpina Rural Municipality Council Regulation No. 6 of 19 April 2023, "Establishment of the Limit for Payment of the Costs of Care Workers and Assistant Care Workers", was compatible with the law. The provision set the limit for covering the costs of care workers and assistant care workers in the provision of general care service outside the home at €540 per service recipient per month.

The Chancellor found that this provision of the municipal council regulation was contrary to § 22^1(2)–(4) of the Social Welfare Act and § 3(1) and § 154(1) of the Constitution of the Republic of Estonia. The Chancellor proposed that Räpina Rural Municipality Council bring the limit on covering the costs of care workers and assistant care workers into conformity with the law and the Constitution.

The municipality explained that only care home residents who could afford to do so were required to pay the fee. Others received a social benefit to help pay for their care home place. This position does not justify a breach of the law.

The Chancellor found that the municipal council must set the limit at a level that enables a person to obtain a suitable care home place close to home and ensures that the person bears only the costs prescribed by law.

On 20 May 2026, Räpina Rural Municipality Council set the limit for payment of the costs of care workers and assistant care workers in the provision of 24-hour general care service outside the home at €600 per service recipient per month.

On 21 August, the Chancellor made a similar proposal to Peipsiääre Rural Municipality Government, which had set the limit for covering care costs at €550 per service recipient per month.

Rules for the installation of outdoor advertising

On 10 February 2026, the Chancellor of Justice made a proposal to Tallinn City Council to repeal an amendment to Regulation No 9 of 19 April 2019, "Rules for the Installation of Outdoor Advertising and Information", by which the City had prohibited, with effect from 1

January 2026, the use of polyvinyl chloride (PVC) as a material for outdoor advertising display surfaces.

By prohibiting the use of PVC, the City Council sought to protect the environment and human health. The Chancellor shared Tallinn's concern about the environmental impact of PVC and commended the City for its efforts to protect the environment and human health. At the same time, she drew the City Council's attention to the fact that such restrictions may be imposed only in accordance with the Constitution, laws and European Union law, while also complying with the procedural requirements governing law-making.

Although, under § 13 of the Advertising Act, a local authority may establish rules for the installation of outdoor advertising (requirements concerning the manner and place of publicising outdoor advertising), a general prohibition on the use of a particular material exceeds the limits of this provision delegating authority. Such a prohibition requires a clear provision delegating authority in an Act.

On 11 April 2026, Tallinn City Council agreed with the arguments set out in the Chancellor's proposal and repealed the contested provision of Regulation No 9.

Requirements for organising and holding public events

Section 59(1) of the Law Enforcement Act leaves local government councils fairly broad discretion to decide what requirements to establish for organising and holding public events.

The Chancellor of Justice found that a provision of Kehtna Rural Municipality Council Regulation No 31 of 22 October 2014, "Requirements for Organising and Holding Public Events", was incompatible with the Administrative Procedure Act. Under the provision, the rural municipality government could, in the public interest or due to unavoidable circumstances, process an application for holding a public event within a period shorter than 20 days.

The Council intended to establish a legal basis allowing an organiser, in certain cases, to submit an application for holding a public event less than 20 days before the event was due to take place. Unfortunately, the provision did not achieve this aim: it was addressed to the rural municipality government rather than to the event organiser.

Under § 5(2) and (4) of the Administrative Procedure Act (APA), applications must be dealt with as promptly as possible while respecting the rights of participants in the proceedings. A time limit prescribed for deciding an application indicates the maximum time available if the application cannot be decided sooner.

If an event organiser misses the time limit for submitting an application, the provisions of the APA must be followed. Section 34 of the APA governs the restoration of terms for proceedings. Under subsection 1, if a term for a proceeding is allowed to expire with good reason, an administrative authority may restore the term on its own initiative or at the request of a participant in the proceeding. *Good reason* is an undefined legal concept whose meaning must be determined in the context of the particular proceedings.

A reasoned request for restoration of a term for a proceeding may be submitted within two weeks after the circumstances impeding performance of the procedural act cease to exist (APA § 34(2)).

Kehtna Rural Municipality Council amended the regulation, bringing the provision into conformity with the law.

Competence of the municipal council and delegation of authority

In the Chancellor of Justice's assessment, Rakvere City Council Regulation No 8 of 27 March 2013, "Determination of remuneration, additional remuneration and compensation for the Chairman of Rakvere City Council, the City Mayor and paid members of the City Government", was not in conformity with the law.

A municipal council may not leave a matter that the law has placed within its competence to be decided by another body, administrative agency or official unless a legal provision authorises the council to delegate that competence (in the case of administrative procedure, see § 91(2) of the Administrative Procedure Act). Rakvere City Council had, however, partly relinquished the exercise of its competence, leaving it to the City Mayor, who determined by directive the grounds for payment of compensation as well as the amount of compensation.

Under § 22(1) clause 19 of the Local Government Organisation Act (LGOA), the municipal council must determine the remuneration, additional remuneration, compensation, benefits and advantages of the rural municipality or city mayor and members of the municipal administration working in remunerative positions, and decide on the payment of compensation to other members of the municipal administration and determine the amount of compensation. Under clause 21 of the same subsection, the municipal council is competent to determine the remuneration and compensation of the chairman and deputy chairman of the municipal council.

These provisions governing competence do not authorise the municipal council to delegate that competence further.

Section 17(4) of the LGOA provides: “The positions of the chairman and deputy chairman of the municipal council may, by resolution of the municipal council, be remunerative. The chairman and deputy chairman of the municipal council working in remunerative positions may be paid only such additional remuneration, compensation or other remuneration, and have only such advantages applied in respect of them, as the municipal council has provided for in the procedure it has established and has decided.” Under § 49(4^2) of the LGOA, the position of a member of the municipal administration may be remunerative based on a resolution of the municipal council. During their term of authority, the rural municipality or city mayor and a member of the municipal administration may be paid only such additional remuneration, compensation or benefits, and have only such advantages applied in respect of them, as the municipal council has provided for in the procedure it has established.

On 17 June 2026, Rakvere City Council amended the provisions governing the determination of additional remuneration and compensation, bringing them into conformity with the law.

Organisation of municipal council work

Convening an extraordinary session of Kohtla-Järve City Council

The Chancellor of Justice sent a memorandum to Kohtla-Järve City Council, drawing attention to the fact that neither the law nor the rules of procedure of Kohtla-Järve City Council authorise the chairman of the municipal council to decide whether or not a matter raised by at least one fourth of the membership of the municipal council is urgent.

A matter is urgent if it is raised by at least one fourth of the membership of the municipal council.

As of 1 July 2026, § 43(4) of the LGOA reads as follows: “The chairman or deputy chairman of the municipal council shall convene the municipal council on the proposal of the rural municipality or city government or of at least one fourth of the membership of the municipal council for the discussion of the matters raised by them. The time of the session shall be determined by the chairman or deputy chairman of the municipal council, taking into account the rules of procedure of the municipal council. The municipal council session must be held within one month of the date on which the proposal was made. If the chairman or deputy chairman of the municipal council does not convene the municipal council session within one month, the session shall be convened without delay by a municipal council member agreed upon by at least one fourth of the membership of the municipal council, taking into account the requirements laid down in subsection 3 of this section.”

Rules of procedure of Saarde Rural Municipality Council: majority of votes in favour and equality of council members’ votes

In the Chancellor of Justice’s assessment, some provisions of the rules of procedure of Saarde Rural Municipality Council were not in conformity with the law (see the opinions “§ 17(6) of the rules of procedure of Saarde Rural Municipality Council” and “§ 17(7) of the rules of procedure of Saarde Rural Municipality Council”).

The Chancellor drew the Rural Municipality Council’s attention to the fact that its rules of procedure incorrectly defined the principle of a majority of votes in favour laid down in § 45(5) of the Local Government Organisation Act (LGOA): “In the case of a majority of votes in favour, more of the municipal council members participating in the session must vote in favour of the decision than vote against and/or abstain.” This also impairs the free mandate of municipal council members and the principle of democracy (§ 1(1) and § 10 of the Constitution).

Voting majorities are governed by § 45(5) of the LGOA, which, in the wording in force as of 1 July 2026, provides: “Municipal council decisions shall be passed by a majority of votes in favour. A majority of the votes of the membership of the municipal council is required to adopt decisions on the matters specified in § 22(1) clauses 3, 4, 6, 7, 8, 9, 14, 15, 18 and 24 of this Act and in § 7 of the Constitutional Review Court Procedure Act.” In the case provided

for in § 45(6), a majority of at least two thirds of the membership of the municipal council is required. In elections of persons, the requirement of a majority of votes in favour laid down in § 45(5) of the LGOA does not apply (LGOA § 47(1^1), (1^2), (1^4) and (1^5)).

For the purposes of the LGOA, a majority of votes in favour means a voting result in which more municipal council members have voted in favour of adopting the decision than against it. The calculation of a majority of votes in favour is based on the number of council members who participated in the vote. Only votes in favour and votes against are taken into account in determining the result of the vote; abstentions are not. If abstentions are added to votes against, this constitutes arbitrary regulation that removes the substantive distinction between abstaining and voting against. The Supreme Court has stated that a law must not be interpreted in a way that renders the law or one of its provisions meaningless (Supreme Court judgment of 2 November 1994, III-4/1-6/94, para. 1).

The rules of procedure of Saarde Rural Municipality Council also contained the following provision: “If the votes in favour and against are equal, a further debate shall be held, followed by a repeat vote. If the repeat vote also produces no result, consideration of the draft shall be suspended and, where possible, continued at the next session of the municipal council. If the repeat vote produces no result and, due to time limits or for another good reason, the draft cannot be considered at the next municipal council session, the result of the vote shall be determined by the vote cast by the chairman of the municipal council.”

The Chancellor of Justice found that this provision of the rules of procedure was contrary to the principle of equal exercise of the mandate of municipal council members (§ 12(1) of the Constitution), § 45(5) of the LGOA and the principle of legal clarity (§ 10 and § 13(2) of the Constitution).

Section 12(1) of the Constitution lays down the general fundamental right to equality, which extends to all spheres of life and applies to everyone (Supreme Court judgment of 1 October 2007, 3-4-1-14-07, para. 13). This also gives rise to the requirement that members of a local government council must have equal opportunities to exercise their mandate and an equal right to participate in the work of the council (cf. Supreme Court judgments of 2 May 2005, 3-4-1-3-05, paras 14, 16 and 17; 22 June 2023, 5-23-31/18, para. 27; and 2 November 2023, 5-23-37/6, para. 53).

The principle of equal treatment of municipal council members is not absolute. If the vote of the chairman of the municipal council is to carry greater weight than the vote of another municipal council member, this must be provided for by law (the principle of importance – § 3(1) of the Constitution). The LGOA does not give the vote of the chairman of the municipal council greater weight than the votes of other municipal council members. Nor, therefore, may the municipal council itself do so. Although a local government council, as a constitutional body (§ 156 of the Constitution), has the right of self-organisation, it must exercise that right lawfully.

If a vote or repeat vote results in an equal number of votes in favour and against, it is incorrect to treat the situation as if the vote had produced no result. In such a case, the decision has not been adopted.

On 16 April, Saarde Rural Municipality Council amended the contested provisions of its rules of procedure, bringing them into conformity with the law.

Opinions on the governance crisis in Narva

Against the background of political confrontation, a governance crisis emerged and deepened in the City of Narva during the first half of 2026.

The Chancellor of Justice took the view that a fair working culture can be created above all by the municipal council members themselves, also with an eye to the future. A fair practice for organising the work of the municipal council can be fostered by imagining oneself both in the position of those against whom a motion of no confidence is directed and in the position of those who initiate it. The procedure should appear fair from every perspective. This is also prudent, since governing coalitions change.

The Chancellor explained that legal provisions must be interpreted purposively and systematically. Under § 46(2) of the Local Government Organisation Act, the issue of expressing no confidence must be included on the agenda of the next municipal council session. This provision cannot be considered in isolation from other provisions. Account must also be taken of the provisions of the LGOA and the municipal council's rules of procedure governing the convening of sessions (LGOA § 43(1) and (3); § 44(5)), as well as the provisions of the General Part of the Civil Code Act governing the running of a term (§ 135(1) and (6)).

In addition, the position of the Supreme Court must be taken into account. The Court has emphasised that compliance with the four-day time limit laid down in § 43(3) of the LGOA is not a mere formality. The purpose of the provision is to ensure that municipal council members receive timely notice of an upcoming session. This gives them an opportunity to rearrange their plans so that they can attend the municipal council session and prepare for discussion of the matters on the agenda (Supreme Court judgment of 2 July 2004, 3-4-1-16-04, para. 16).

Proceedings concerning Tartu's first supplementary budget for 2026

The Chancellor of Justice was asked to assess whether the proceedings concerning the City of Tartu's first supplementary budget for 2026 had been conducted in conformity with the law and the Statutes of the City of Tartu.

The issue was whether the Statutes authorise the chair of a municipal council session to propose that numerous substantively related amendment proposals be put to the vote in consolidated form (i.e. in blocks). In the Chancellor's assessment, the Statutes of the City of Tartu give the chair of the session such authority. The importance of procedural rules for democratic decision-making should, of course, not be underestimated. Amendment proposals that are not substantively related should not be grouped together.

Other opinions of the Chancellor of Justice

Obligation to register documents

"Responding to submissions in Nõo Rural Municipality"

"Registration of documents"

Construction

"Obligation to install electric car charging infrastructure under § 65¹(6) of the Building Code"

"Issuing a use and occupancy permit in the event of non-compliance with the building permit, detailed spatial plan and landscaping requirements"

“Proposal to bring Tallinn City Council Regulation No 24 of 15 December 2022 ‘Procedure for the construction and financing of construction works intended for public use’ into conformity with the Constitution”

“Requirements imposed by Rae Rural Municipality when applying for a use and occupancy permit for a construction work”

“Filing a use and occupancy notice when the work specified in the building notice has been carried out only in part”

Compliance with the practice of good administration

“Memorandum concerning the charging of a social infrastructure fee in Kiili Rural Municipality ”

“Provision of water supply and sewerage services in the City of Maardu”

“Failure to comply with the time limits for resolving challenge proceedings, requests for information and requests for explanations”

Hobby education and hobby activities

“Support for children’s and young people’s hobby activities in Saue Rural Municipality”

“Constitutionality of the award of support for hobby activities and hobby education”

“Conditions for granting support for attendance at a hobby school”

Waste management

“Proposal to bring the provisions of the Rae Rural Municipality waste management rules concerning construction waste into conformity with the Constitution”

Cemetery management

“Rules for the use of cemeteries in Narva-Jõesuu: permit to provide services at cemeteries and agreement for carrying out construction work”

Local tax

“Failure to refund a parking fee”

Preschool childcare institutions

“Amount of the kindergarten fee”

“Childcare and kindergarten fees in Saue Rural Municipality”

Organisation of school transport

“Organisation of school transport”

Child protection

“Complaint about the actions of a child protection worker”

Municipal schools

“Processing of personal data”

“Imposition of a sanction on a pupil”

“Available school place”

“Procedure for forming a school’s board of trustees and its rules of procedure”

“Election of the secretary of the board of trustees”

Parking arrangements and supervision

“Parking arrangements at apartment buildings”

Spatial planning

“Memorandum concerning the charging of a social infrastructure fee in Kiili Rural Municipality”

“Felling in a park forest in the City of Võru”

“Proposal to bring Loksa City Government Regulation No 3 of 25 May 2023 into conformity with the Constitution”

“Proposal to bring Keila City Council Regulation No 7 of 28 February 2023 into conformity with the Constitution”

“Proposal to bring Viimsi Rural Municipality Council Regulation No 22 of 13 December 2022 into conformity with the Constitution”

“Proposal to bring a regulation into conformity with the Constitution”

“The new comprehensive plan of the City of Haapsalu and the validity of previously adopted detailed spatial plans”

“Delay in the acceptance of a detailed spatial plan”

Opinions to the Supreme Court in constitutional review proceedings

“Supplementary opinion in case No 5-25-67”

“Opinion in constitutional review case No 5-25-67”

“Position in constitutional review case No 5-25-6”

“Opinion in constitutional review case No 5-25-14”