Chapter 1.

Scope of the act and organization of government in county municipalities.

Section 1. This Act applies to county municipalities and deals with county municipal matters not governed by special provisions of other acts.

Section 2. Each county except Oslo and Bergen shall constitute a county municipality.

Section 3. Changes in the name of county municipalities shall be made by statutory enactment. The King may, however, resolve a change of spelling not affecting the pronunciation. The county council shall have an opportunity to be heard before a change is made.

Section 4. In each county municipality there shall be a county council, a county standing committee, and a county mayor. Besides, the county governor shall be in charge of county municipal matters.

Section 5. Members of the county council shall be elected by the municipal council in the county's municipalities at the meeting dealt with in the first paragraph of section 7 in the Act concerning local government in the rural and the urban district municipalities. Each municipal council elects, according to the population at the last ordinary census, one member for each commenced 6 000 inhabitants in the municipality. At the same time an equal number of deputies shall be elected.

In no case, however, shall a municipality be entitled to elect more than 1/3 of the total number of representatives in the county council.

The election holds good for 4 years, reckoned from January 1st in the year after the year in which a municipal election is held.
Anyone is eligible who has at the last municipal election been elected a member of the municipal council and is not an auditor in the county municipality or in a county municipal enterprise.

Notification of which persons have been elected as members and deputies shall be sent to the county governor as soon as the election has been held.

If a member of the county council retires definitively from the municipal council or is appointed auditor as mentioned in the fourth paragraph of this section, he shall retire definitively from the county council.

Section 6. The county standing committee shall have as many members as are obtained by dividing the number of county council members by 4. If the number arrived at is an equal number, it shall be increased by 1. The number of members shall, nevertheless, be at least 5 and at most 11.

Persons who have to render accounts to the county municipality cannot be elected members of the county standing committee.

The right to claim exemption from election as a member of the county standing committee belongs to any person who has performed service as a member the last four years or has reached the age of 60 before the end of the year in which the municipal election is held. The person who wishes to claim exemption must at latest at the meeting when the members shall be elected, put forward his claim thereto to the chairman.

A member who comes in such a position as mentioned in the second paragraph, shall retire definitively from the county standing committee.

Section 7. Members of the county standing committee and deputies for these shall be elected every fourth year and from among the members of the county council. The election shall be held as the first item at a session which is held as early as possible after the municipal election.

The election shall be based on the system of proportional representation if any member so requests. In that event the following provisions of the Act concerning municipal elections shall apply accordingly: section 13, subsection 1, items b and c; the provision of item d providing that no single person may stand as proposer of more than one list of candidates; item e; section 29, subsection 2, subsection 3, first paragraph; and subsection 4; section 33, fourth paragraph;
and sections 34 and 35. However, the limitation of the right of accumulation provided in section 13, subsection 1, item c, first sentence, of the Act concerning municipal elections, shall not apply to the setting up of the list of candidates. If a candidate's name appears on several lists, he shall choose the list on which he wishes to stand.

If no request for proportional representation is submitted, the members of the county standing committee and their deputies shall be elected on the majority principle; the provisions of the Act concerning municipal elections, sections 38, subsections 2 and 3, shall then apply accordingly.

A newly elected county standing committee enters into function immediately after the close of the session at which the election was held, and performs service until a new county standing committee commences activity.

Section 8. The county council shall elect from among the members of the county standing committee the county mayor and a deputy mayor. The election shall be held the second item at the session mentioned in section 7 and holds good until a newly elected county council has elected a new county mayor and deputy mayor.

Any person who has been county mayor for the preceding four years, shall have the right to refuse reelection for the following four years. If he requires to be so exempted, he must submit his request not later than at the meeting where the county mayor is to be elected.

If, at the first vote for the election of county mayor or deputy mayor, no candidate obtains a majority of the votes cast, a second vote shall be taken. With this vote the candidate who obtains most ballots shall be regarded as elected (simple majority); if more than one candidate obtains the same number of votes, the election shall be decided by lot.

Section 9. If the number of deputies to the county standing committee or of a group of deputies has become insufficient, the county council may, in accordance with the majority principle, elect one or more regular or temporary deputies, such election to be made from within the group concerned.
Chapter 2.

Procedures governing the activities of the county council and the county standing committee.

Section 10. The county council and the county committee shall make their decisions in session under the chairmanship of the county mayor or deputy mayor. If both are prevented from attending, a chairman is to be elected ad hoc by simple majority from among the members present. If more than one obtain the same number of votes, the election shall be determined by lot.

Section 11. The county council shall convene in ordinary session once a year. An extraordinary session shall be held when the King so requires, when the county council has so decided, or when the county standing committee considers such a meeting necessary. The county standing committee fixes the time and place for the session to be held, if the county council has not done so.

A public notice of the ordinary session of the county council shall be issued by the county mayor not later than 6 weeks before the session. Public notice of any other session of the council shall be issued by the county mayor, usually not later than 14 days before the session.

Copies of matters which will be presented for deliberation shall, if possible, be sent to the members of the county council at least 8 days before the session. The county standing committee's budget proposals, cf. section 23, shall always be sent to the members of the county council in good time and not less than 8 days before the session. At the same time copies of the matters shall be made available for inspection at places mentioned in the public notice.

Section 12. The county standing committee shall convene summonsed by the county mayor when so prescribed by law, or whenever the county mayor considers it necessary, or when not less than one third of the members of the county standing committee or the county governor so require.
Section 13. The county council and the county standing committee cannot make a valid decision unless at least one half of the members are present.

Section 14. Meetings of the county council shall be open to the public except when otherwise decided in a particular case. Any deliberations on this point of procedure shall take place in camera, if the county governor or the county governor or the presiding chairman so requires, or if the county council so decides.

Section 15. Cases which have not been mentioned in the summons may be decided at a session of the county council, if the county council so decides.

Any member of the county council may put questions to the county mayor about matters not included in the summons. Such questions must be put forward before the last day of the session. The county mayor may postpone the answer until a later meeting during the same session.

Section 16. If a subject coming up for decision may result in appreciable personal advantage, loss, or responsibility to any member of the rural district council or of the board of aldermen, the member concerned shall withdraw as being disqualified in the deliberation of such matter. The same shall apply if the decision may result in such personal advantage, loss, or responsibility to the spouse of a member, or to a person related to a member in lineal ascent or descent, or laterally as closely as brother or sister, or to a person equally closely related by marriage.

Even if a member is not regarded as disqualified according to the provisions of the first paragraph of this section, he shall nevertheless withdraw as disqualified during consideration of matters concerning the making or termination of a wage tariff agreement, the establishment or repeal of a wage scale, a general revision of a tariff agreement or a wage scale, or in matters concerning the transfer of all or some of a group of employees from one wage or salary class to another, if that member himself or his spouse comes under the wage scale in question. Similarly, a member shall withdraw when questions of wages are considered
which apply to the branch of administration in which the member concerned or his spouse is engaged in work. In matters dealing with the consideration and adoption of accounts the accountant concerned shall withdraw from the proceedings.

In matters dealing with appointment to a paid position, or recommendation for such appointment, all persons shall withdraw who are either applicants themselves or who are related to an applicant as closely as stated in the first paragraph of this section.

When the question arises as to whether a member should withdraw as disqualified, the assembly shall decide the point, but the member concerned shall not take part in the decision.

Even if a member cannot be regarded as disqualified according to the above provisions, he may upon his own request, be exempted by the membership from taking part in a certain discussion when he has stated in advance that - for personal reasons - he is of the opinion that it would not be right for him to participate in the discussion concerned.

Section 17. A decision of the county council or of the county standing committee is valid only if it has been reached via a majority of the votes cast, unless otherwise prescribed by law.

If the vote is deadlocked, the vote of the county mayor (chairman) shall be decisive, except when the issue at vote concerns elections or the appointing of an official. The following rules shall apply to elections based on the majority principle, and to the appointment of officials, except with regard to the election of members of the standing com- mittee and their deputies.

mittee and their deputies

According to sections 7 and 9, the election of county mayor and deputy mayor according to sections 8 and 9, the election of chairman according to section 10, and the election of arbiter according to section 18:-

If, at the first voting, no person obtains a majority of the votes cast, a second vote shall be taken. At this vote, the person who obtained the largest number of votes shall be regarded as elected or appointed. Before a new vote is taken, it may be decided that votes shall be cast only for two or more of the persons who had the largest number of votes at the first
voting. If the election or appointment has still not been decided, because more than one person have obtained the same number of votes, the decision shall be made by lot.

Elections according to the provisions of sections 28, 30 and 32 of this Act, shall be based on the principle of proportional representation, if any member so requests. In such event the provisions of the second paragraph of section 7 shall apply accordingly. Elections held according to the provisions of other acts shall be based on the principle of proportional representation if any member so requests, unless this principle is inapplicable or unsuitable owing to the provisions of the act in question. The ministry concerned shall decide whether or not this is the case.

Section 18. When a proposal:
1. to raise a loan,
2. to purchase or alienate real estate,
3. to appropriate new annual salaries or other new yearly expenditures of a recurring nature,
4. to surrender any rights of the county municipality,
5. concerning new projects or a decided expansion of existing projects,
has been approved by less than two thirds of the votes cast, a new vote on the question shall be taken, but not at the same meeting. If, again, no proposal obtains two thirds of the votes, the decision shall be brought before the King for decision in accordance with section 62, if the minority so requests through a majority vote among themselves. If the votes are deadlocked at this voting withing the minority, the vote of the county mayor (chairman) shall decide the issue provided he belongs to the minority. Otherwise the minority shall appoint an arbiter before voting takes place, and his ballot shall decide a tied vote. The arbiter shall be elected by a regular majority. If more than one candidate has obtained the same number of votes, the election shall be decided by lot.

Section 19. When members of the county council or of the county standing committee die, withdraw, or are prevented from attending for some length of time, the deputies shall take
their places in the same order in which they have been elected. When deputies are summoned to a meeting or to consider a specific matter, this numerical order shall likewise be observed as far as possible.

If the county council or the county standing committee has been composed according to the principle of proportional representation, it shall be supplemented with deputies from the group which, owing to retirement or absence, is not fully represented.

Section 20. Minutes of the proceedings shall be kept at the meetings of the county council and of the county standing committee. The chairman and at least two other members shall sign the minutes of proceedings of each meeting.

At the close of the session of the county council the members shall sign the minutes of proceedings.

The county council shall stipulate further provisions concerning the activities of the county council and the county standing committee in specific regulations. The regulations must be such in form and content as to satisfy the ministry.

Chapter 3.

The competence of the county council and of the county standing committee.

Section 21. The county council has the power to appropriate money and to impose taxes, and shall, together with the county standing committee, take care of the affairs of the county municipality - all within the limits prescribed by existing laws.

The county council shall also perform the other public duties imposed upon it by law; it shall provide such information and make such statements of opinion as required by the ministry.

The county council shall moreover act on behalf of the county municipality in all cases in which the decision has not been vested in other authority, by law or according to decision of the county council (cf. chapter 4).
Section 22. At the ordinary session the county council shall consider the proposals of the county standing committee for the budget and the imposition of taxes, and make decisions in form of budget estimates concerning the revenues and expenditures of the county municipality during the next budget year, cf. chapter 7, and concerning the amount to be covered by taxes, cf. chapter 8.

At this session the following shall be presented:

1. the accounts of the county municipality duly audited and a statement explaining the reasons for any disagreement between actual appropriations made by the county council and accounts,

2. other matters with documents to be considered by the county council,

3. the record of proceedings of the county standing committee.

Section 23. The county standing committee shall

1. consider the proposals of the county governor for the budget and the imposition of taxes and frame such proposals for the county council,

2. supervise that accounts with statements and reports on operations are furnished in due time, and that the accounts are forwarded to the auditor without delay,

3. submit the accounts to the county council with a recommendation, unless the county council has appointed a special committee to prepare cases involving disagreement between accountants and auditors, and supervise that the disputed items are corrected without delay.

The county standing committee has authority to use the amount appropriated in the budget for incidental purposes, and to transfer amounts from this appropriation to other budget items in order to strengthen the latter.

The county standing committee shall also perform the public duties imposed upon it by law; it shall provide such information and make such statements as required by the ministry.

If the decision in a matter pertains to the county standing committee, the committee may nevertheless demand that the matter be decided by the county council.
Section 24. The county standing committee may decide matters which should normally be decided by the county council, when it is considered absolutely necessary that the matter be decided before a session of the county council is to be held for consideration of other matters, and there is either no time to call a meeting of the county council or the issue is not so important as to warrant the convening of such a meeting.

Section 25. The county council or the county standing committee may not make decisions involving special benefits for political organizations or promoting particular political purposes.

Notwithstanding this provision, however, aid may be granted to political youth organizations for studies and informative activities and also for social, cultural and practical activities.

Chapter 4.

Delegation of the county council's authority and duties. Select committees, boards, councils, and other committees.

Section 26. The county council may, on a particular occasion or in the form of by-laws, delegate to the county standing committee its powers to make decisions in matters which the county council is authorized to deal with according to this Act, provided such matters are not involved as mentioned in Nos. 1 to 9 below:

1. a) Matters regarding the acquisition, alienation, exchange or mortgaging of real estate, or regarding the surrender of any rights in real estate, usufructs and easements excepted (cf. litra b). This provision shall apply only to properties or rights worth more than 50,000 kroner.

b) Matters regarding the conclusion of contracts for deliveries, usufructs or easements which are either of major economic importance to the county municipality or committing the county municipality for a period longer than 5 years. This provision shall not apply, however, to contracts for the leasing out of real estate worth more than 50,000 kroner.

If the county council has decided to acquire, alienate,
or lease... or a right in an estate, it may, however, delegate to the county standing committee, or other authority, powers to accept or determine the price.

The county council may moreover delegate to the county standing committee, or other authority, powers to acquire, alienate, or lease out real estate or rights in real estate in so far as this is necessary in order to implement or carry out a decision of the county council.

2. Matters regarding new projects or a considerable extension of earlier projects.

3. Matters regarding the raising of loans. However, the county council may delegate to the county standing committee powers to agree on or approve in detail the conditions of a loan which the county council has decided to raise.

4. Matters regarding the issue of guarantees with respect to economic obligations. However, the county council may delegate to the county standing committee powers to issue guarantees regarding economic liabilities within the limits and on the general conditions determined by the county council.

5. Matters regarding the appointment of a county treasurer, the establishment of an audit of accounts, the appointment of an auditor (auditors), the appointment of committees to deal with accounting matters and items of disagreement between accountants and auditors, the reception of accounts and reports on operations, and the settlement of possible disagreements between accountants and auditors.

6. Matters regarding the delegation of authority and duties according to the provisions of sections 27, 30, 31 and 41.

7. Matters regarding the determination of standard sales tariffs or the prices of electric power and other services provided by municipal institutions, works or enterprises operating as monopolies.

8. Budget matters according to the first paragraph of section 22. However, the county council may authorize the county standing committee to make such alterations in the budget as are required in order to obtain approval of the assessed amount
according to subsection 1 of the first paragraph of section 60.

9. Matters of the delegation of powers to authorize payments.

Section 27. The county district council may appoint standing committees for county municipal purposes, or for spheres of county municipal activity which have not by law been placed under a special board.

The county council shall determine, by general regulations, the sphere of action of such committees. Functions which according to this Act may be assigned to the county standing committee, may also be assigned to standing committees. This does not apply, however, to the appointment of the head of an administration.

Section 28. The county council shall determine the number of members of each standing committee. Unless otherwise provided by the county council, the county standing committee shall decide who is to be chairman and deputy chairman.

A member of the county standing committee cannot be elected to sit on such a committee as mentioned in section 26, subsection 5.

Section 29. The chairman shall summon the committee when he finds it necessary, or when the committee so decides. The members present shall make decisions by a majority vote. If the votes are equal, the vote of the chairman shall be decisive.

In the case of an election, the provisions of the third and fourth paragraph of section 17 shall apply - the election being based on the principle of proportional representation if any member so requires; in the case of an appointment the provisions of the third paragraph of section 17 shall apply.

A record shall be kept of the proceedings of the committee, and an extract shall be submitted to the county council in accordance with provisions to be made by the council itself.

Section 30. The county council may set up a management consisting of a board, or of a board and council, for the operation of a county municipal enterprise.

In the case of an enterprise which is not expected to require continuous contributions from county municipal funds to cover its operating expenses, except for interest, the rural district
council may delegate to the board - or to the board and council - such authority as may be delegated to the county standing committee; the board and council may also be granted powers to make decisions in the matters referred to in section 26, subsection 1, item b, and 10, and in section 41.

If the management consists of a board and council, the county council shall determine how the board and council shall be composed, and shall make general regulations concerning their functions, and the relationship between them. If the management consists of a board only, the county council shall determine how it is to be composed.

The county council shall elect the members in so far as it has not delegated this function to other authorities. If the management consists of a board and council, the council shall elect the members of the board who are to be selected by election, in so far as the county council has not done so itself or has delegated this function to others. The county council shall determine the remuneration, if any, of the members.

The managing director (the head of the enterprise) may be elected a member, but he cannot have right of voting in the board or council. A cashier or auditor of the enterprise cannot be a member of the board or council.

Each calendar quarter the management shall make a report to the county governor and the county standing committee. The financial year shall be the same as that for county municipal budgets.

Section 31. Two or more county municipalities may establish a joint board for the realization of a common project. The county municipalities concerned may delegate to the joint board such authority as they may decide upon, unless otherwise provided by law. Such joint board may also be established by one or more county municipalities together with one or more rural or urban district municipalities.

The provisions of section 30 concerning cashier and auditor shall apply accordingly.

Section 32. The county council and the county standing committee may appoint committees for the preparation of matters to be considered, and for the performance of special functions.
Sections 33. No person may be a member of a select committee, board, council, or other committee if he has been sentenced to loss of his voting right in public affairs.

Chapter 5.
The county mayor. The county governor. County municipal officials.

Section 34. As chairman conducting the meetings of the county council and the county standing committee, the county mayor shall enforce the rules of procedure and the provisions of law concerning the requirements for a valid decision. The county mayor shall superintend the recording of proceedings.

Section 35. The county mayor may take part in the deliberations of all select committees, other committees, boards, and councils, but he has no vote unless he has been elected as a member.

Section 36. The county governor is the legal representative of the municipality. He signs on behalf of the municipality in all instances where such authority has not been delegated to others.

Section 37. The county governor shall make sure that the matters under consideration in the county council and the county standing committee have been properly prepared. He shall also make sure that notice of a decision is transmitted to the person or body concerned, without unnecessary delay, and present the decision for approval if approval is required. The county governor shall supervise - or arrange for supervision - that the decisions made by the county council and the county standing committee are carried out, in cases where such supervision is not assigned to some other state official or statutory board.

Section 38. The county governor shall supervise the entire administration of the county municipality, and particularly its financial and accounting arrangements; he shall submit proposals for the county municipality’s budgets and tax decisions, and state his opinion on the financial aspect of the matters at hand. In so far as the power to authorize payments has not been delegated to others, the county governor has such power.
If the county council has granted powers to authorize payments to others, such powers shall always be exercised under the supervision of the county governor.

Section 39. The county governor shall attend the meetings of the county council and of the county standing committee, and he has there the right of speech and making proposals. He shall be allowed to attend the proceedings of the select committees, other committees, boards and councils, be he shall have no vote unless elected member.

Section 40. In each county municipality there shall be appointed a county treasurer.

Besides, there shall be appointed an auditor skilled in accounts to audit the accounts of the county municipality. A special auditor may be appointed for a county municipal enterprise.

Section 41. The county council may moreover establish such positions as are found necessary for the management of county municipal affairs and activities, and it may abolish the positions.

Chapter 6.

Special provisions concerning members of the county council, the county standing committee, etc.

Section 42. All members of the county council except the county mayor, are obliged during their tenure of office to accept election to select committees, councils and other committees appointed under sections 27, 30 and 32. However, any person may refuse to be a member of more than two standing committees at the same time.

The county mayor and the members of the county standing committee shall be exempted during their tenure of office, from all other public offices except those imposed on them by law or provisions approved by the county council or county standing committee.

Section 43. If any member or deputy fails, without good reason, to appear in time for a meeting which has been lawfully convened with sufficient notice, or if he leaves a meeting
without good reason, the assembly concerned may require him to pay a fine. The fine may be from 20 to 50 kroner and shall accrue to the county municipal treasury.

Section 44. Any member present at a meeting of the county council, county standing committee, a select committee, board or council or other committee, when a matter is put to the vote, shall be obliged to cast his vote.

In case of elections a blank vote shall be regarded as a vote cast.

Section 45. Members of the county council and of the county standing committee shall be entitled to compensation from county municipal funds for their travel and board expenses. The county council shall fix the compensation to be paid.

The county council may adopt a scale for the compensation for travel and board expenses, and it may decide that other county municipal officers shall also receive compensation for travel and board expenses according to the adopted scale.

The county governor shall be entitled to compensation for travel and board expenses when travelling in county municipal business on the same scale as for his travels in state service.

Section 46. The county council may decide that the county mayor shall receive remuneration for his work from county municipal funds. The remuneration must not be higher than is considered reasonable in view of the work and inconvenience associated with the office of county mayor.

Otherwise, officers cannot as a rule receive salary or remuneration from county municipal funds except as members of boards and councils according to sections 30 and 31, and as members of committees.

The county council may, nevertheless, decide that other officers than those mentioned in the first and second paragraph, shall also receive remuneration from county municipal funds, when the office is considered onerous. The provisions concerning remuneration of the first paragraph shall in such cases apply accordingly. If the remuneration is stipulated for each day of meeting, the amount cannot be set higher than that prescribed by the King.

It cannot be required that special work, the performance of which is directly associated with the vocation, profession, enterprise, or living of a member, shall be performed without remuneration.
Chapter 7.

The financial administration of the county municipality.

Section 47. The budget of the county municipality, comprising a schedule of estimated municipal expenditures and revenues (the budget year) and the imposition of taxes according to the tax laws, shall be considered by the municipal authorities in such manner and within such periods as prescribed in section 22.

The budget shall correspond to the expenditures and revenues which are actually to be anticipated, and is binding on the municipal administration during the budget year. The individual items of expenditure must not be exceeded unless a supplementary appropriation has been made in advance.

The budget must be complete. It shall comprise all the expenditures and revenues of the county municipality during the budget year. If the rural district council or, as the case may be, the board and council, (cf. the second paragraph of section 30), has adopted a special budget for a revenue-earning enterprise, it is permissible to include only the budgetary surplus or deficit in the ordinary budget.

If the last annual account has shown a deficit, this shall be included in the budget for the provision of funds. However, under quite exceptional circumstances, the ministry may consent to spreading this provision of funds over a period of several years. If the last annual account has shown a surplus, this shall be included as a revenue item in the budget. It must be used for investment purposes— including the appropriation to capital funds, strengthening of the cash balance (working balance), extraordinary repayment of debts, and depreciation of assets— or to balance an uncovered deficit from previous or the current budget year.

In addition to the expenditures for the relevant year, the budget may include the provision of money for:

1. Capital funds and funds for special purposes, even if no payments are presumed to be required for such purposes during the budget year,
2. Funds for increasing the cash balance (working balance).

Appropriation to capital funds should take place in order that the county municipality can as far as possible cover its own capital requirements without having to raise loans. Funds may also be set aside for specific purposes when it is clear that the county municipality is about to enter upon undertakings for which loans cannot or should not be raised, and which will require such heavy expenditures, that one cannot expect them to be covered under the budget of a single year. The amounts set aside for such funds as mentioned in the first and second sentence, must - not later than at the closing of the accounts for the relevant year - be deposited with a bank or invested in accordance with prevailing legislation governing the deposition of funds belonging to those judged legally incompetent, although when investing in real estate it shall always be permissible to give loans up to 6/10 of the value of the mortgaged estate. The provision in the preceding sentence applies only in so far as the county council is not obliged to revert the setting aside of such funds, owing to a deficit in the accounts. Funds definitely set aside under the rules in the third sentence, cannot subsequently be appropriated by the county council for other purposes - either temporarily or definitively - without the consent of the King or an authority so empowered by him. Amounts spent by drawing on the capital funds, should so far as possible be paid back to these funds.

In connection with the current budget of the county municipality, a decision shall also be made - in the form of a budget - concerning expenditures to be covered by means of borrowed funds or other capital revenues, such as accumulated funds, revenues from the sale of real estate or securities. Such revenues must not be used to provide for the ordinary current expenditures of the budget.

Supplementary appropriations and appropriations for purposes outside the scope of the approved budget must not be made in the course of the budget period unless this is found necessary. Such appropriations are to be considered by the
county municipal authorities according to the same form of procedure as that of the budget itself (cf., however, the second paragraph of section 23), and it shall be stated that the appropriation refers to an overspending of the approved budget. However, the provisions in section 11 concerning the publicising of copies, and in section 22 concerning the consideration of the proposal shall not apply. Supplementary appropriations (except for lump items) and appropriations for purposes outside the scope of the budget must not be made, without deciding at the same time how the expenditures involved shall be balanced on the budget of the current year; however, under special circumstances, the ministry may grant exemptions from this rule.

The ministry may prescribe rules for the ordering of the budget, for supplementary appropriations, for appropriations for purposes outside the scope of the approved budget, and for the accumulation and use of special funds.

Section 48. A county municipality may raise loans:

1. for profitable purposes, when it must be assumed that the project concerned will itself be able to pay interest and amortization on the loan, and the loan is not so large as to be out of proportion with the financial capacity of the county municipality,

2. for other purposes if they have lasting value or have been entirely unforeseen, and when the project and the loan must be regarded as necessary, providing the project cannot be postponed until the county municipality is able to provide some or all of the necessary money by the accumulation of special funds,

3. for temporary current requirements, when the loan is to be repaid and balanced under the current budget,

4. for the conversion of existing debts,

5. for the credit of a loan fund.
In connection with the raising of loan, it must also be decided how the loan is to be paid off. The amortization of loans should as a rule be realized by means of regular annual instalments and not in the form of annuities.

The period of amortization of the loans mentioned under subsection 1 must not be longer than justified by the nature and duration of the project concerned, and under no circumstances longer than 40 years. The period of amortization of loans mentioned under subsection 2 must be as short as possible; in the case of periodic expenditures, not longer than until a similar expenditure is expected to recur; and under no circumstances more than 20 years. The period of amortization of loans for the conversion of existing debts (subsection 4) must be in accordance with the nature of the debt and comply with the above provisions.

The period of amortization of loans raised for the credit of a loan fund must not be longer than 40 years. If it is decided to draw money from the loan fund, it must be decided at the same time how the money is to be repaid to this fund. The same provisions shall apply to the use and repayment of such amounts as prescribed above for the use and repayment of loans.

If the King has approved a decision concerning the raising of a loan or the determination of terms of amortization in accordance with this section, no objection can be made against the raising of the loan and the determination of terms of amortization as being contrary to the provisions of this section Section 49. A county municipality may issue a guarantee in respect of financial obligations:

1. when a special county municipal or other municipal interest is involved,

2. when a statute or a decision of the Storting presupposes a guarantee to be issued.

As a general rule guarantees may only be issued with regard to financial obligations when security in real estate for the obligations has been furnished by others than the
county municipality.

In connection with the guarantee it must be decided how long the guarantee is to be valid. The period must not be longer than strictly necessary, and under no circumstances longer than 40 years, unless otherwise provided by law or by a decision of the Storting cf. subsection 2 of the first paragraph of this section.

If the King has approved a decision concerning the issue of a guarantee according to this section, no objection can be made against the guarantee as being contrary to the provisions of this section.

Section 50. A county municipality cannot make a valid mortgage of its property.

However, revenue-earning real estate, ship, motor car or plant which has been acquired by the county municipality, may be mortgaged as security for the purchase price or for a loan used in payment of the purchase price.

Similarly, revenue-earning real estate, a ship or plant may be mortgaged as security for loans applied to the further utilization, expansion, or improvement thereof, or for procuring furniture, fixtures and fittings for the real estate, ship or plant. The same shall apply to the mortgage of a ship in connection with the expansion of a shipping enterprise or other activity.

Furthermore, a school building may be mortgaged as security for a loan from the state or from a public fund for the payment of the purchase price, or for such purposes in connection with the school building as mentioned in the first sentence of the third paragraph.

If a county municipality acquires bonds or other debentures issued by itself, it may furnish them as security for loans used for the payment of the purchase price.

Property which a municipality has mortgaged or furnished as security, may be mortgaged or furnished as security for loans used to redeem the debt so secured.

When a county municipality obtains a loan from the Norwegian Municipalities Bank (Norges Kommunalbank) against
a mortgage or other security in accordance with the provisions of this section, such security may also apply to that part of the loan which is required to cover the municipality's contribution to the risk fund of the bank as well as to the guarantee fund.

When a county municipality raises a loan, it may grant the lender security in its claims for contributions, grants, or refunds connected with the project for which the loan is to be used. When the community assumes a guarantee, it may grant security in its claim for recourse in connection with the guarantee, and in a mortgage or other security which has been furnished for the claim for recourse. The provisions of section 1 of the Mortgage Act of October 12th 1857 shall not apply to security furnished according to this paragraph.

In order to be valid, a mortgage or security furnished according to this section must be approved by the ministry. If it has been approved, no objection can be raised against it as being contrary to the provisions of this section.

Section 51. The property of a county municipality cannot be made the object of seizure or arrest. However, this shall not apply when it is desired to obtain distress or other security in a revenue-earning real estate, ship or plant in satisfaction of a claim for the purchase price, or of a claim in consideration of work or goods, provided that the claim has arisen in connection with the extension or improvement or the further utilization of the real estate, ship or plant concerned.

Section 52. A claim against a county municipality cannot be set off against the county municipality's claim for taxes and duties. The same shall apply concerning claims of the municipality with respect to charges for electric power, gas, water or similar services.

Nor can a bank set off its claim on the county municipality against the deposit of the county municipality with the bank.

The claims of a county municipality for taxes or duties cannot be assigned.
A county municipality may, with the approval of the ministry, assign such duties as mentioned in the first paragraph if the claim for duties is based on an agreement.

Section 53. Bankruptcy proceedings cannot be instituted against a county municipality according to the Bankruptcy and Bankrupt Estates Act of June 6th 1863, with supplementary acts. Nor shall the Act concerning public proceedings of composition of May 6th 1899, with supplementary acts, apply to county municipalities.

Section 54. When a county municipality, owing to other than purely temporary difficulties, is unable to pay its debts when they fall due, the county governor shall be under an obligation to notify the ministry. The ministry shall publish the notification in the Norwegian Gazette (Norsk Lysingsblad).

If such notification has been made, the county municipality shall be obliged - until its financial conditions are once more in order - to give preference to the satisfaction of the following claims:

1. Salaries, wages, pensions, and other remuneration to its officials and workers, contributions incumbent on the municipality in respect of pay to other salaried employees, and the claims mentioned in sections 3 and 4, cf. section 7, of the Claims Priority Act;

2. Statutory contributions and refunds to the government, other county municipalities and rural and urban district municipalities in so far as such claims have accrued or are accruing during the last 12 months before the notification of suspension of payments has been received by the ministry, or during subsequent years;

3. Expenditures accruing after the notification mentioned above has been received by the ministry, or expenditures which have accrued during the last 3 months before the notification was made, for purpose imposed by law on the county municipality or the promotion of which is permitted to be maintained owing to particular circumstances.
The claims mentioned under subsection 1-3 shall have equal rights among themselves. Claims for interest and costs of legal action shall have the same right as the principal claim.

Claims secured by mortgage shall be satisfied to such extent as the mortgage is held to be sufficient. The provisions of section 101 of the Bankruptcy Act shall apply accordingly.

Other claims which are due shall be paid pro rata to such extent as the available funds of the county municipal treasury permit.

Section 55. The accounting system of the county municipality shall be such so to provide a full survey at any time of how the funds of the county municipality have been administered, and to show whether the administration is in accordance with the budget appropriations.

The ministry shall issue further regulations concerning the accounting and auditing system.

Chapter 8.

The county tax.

Section 56. The decision of the county council concerning the amount to be covered by taxation shall be passed in the way provided in section 22.

Section 57. The amount which the county council decides to cover by taxation shall be apportioned among the municipalities of the county according to the following rules:

One tenth shall be apportioned according to the share each municipality had of property in the county's municipalities at the last assessment.

Three tenths shall be apportioned according to the share each municipality had of the assessed income in the county's municipalities at the last assessment but one.

Six tenths shall be apportioned according to the share each municipality had of the assessed income in the county's
municipalities at the last assessment.

Section 58. The county tax which conformably with the rules in the foregoing section is to be paid by a municipality shall be entered as expenditure on the municipality's budget for the year in which the tax is to be paid. If the apportionment is not known at the time the budget is adopted, the tax shall be entered as expenditure in an estimated sum.

Section 59. The county tax shall be paid to the county municipality in at least 2 and at the most 4 instalments, according to the further decision of the county council and at the time this body determines. If the tax is not paid when due, an annual interest shall be paid, according to the decision of the county council, until payment takes place.

Chapter 9.

State supervision of the administration of the county municipality.

Section 60. A decision of the county council regarding the total assessment intended to cover budget expenditures for the year concerned, shall not be valid unless approved by the King. The same applies to decisions concerning:
1. the raising of loans or the issue of guarantees for loans and other financial obligations. If the decision concerns raising or guaranteeing a loan, the King may - as a condition of approval - determine the manner and period of amortization of the loan, cf. section 48, or the duration of the guarantee, cf. section 49,
2. the use of money from the loan fund or the use of borrowed money for purposes other than those determined at the time of approval. In the same manner as under subsection 1 the King may determine how the loan is to be repaid,
3. the assuming of other obligations which may involve the county municipality in expenditures for a period exceeding the next 5 years,
4. the use of accumulated funds for purposes other than those they were appropriated for, cf. section 47,
5. the delegation of authority and duties under the provisions of section 31.

Section 61. Extracts of decisions made by other county municipal authorities than the county council and the county standing committee shall be submitted to the county governor when the decision, under provisions of this act, requires approval or consent from the King or other authority, or when the county governor so requires.

Section 62. If an issue has been submitted to the King under the provisions of section 18, he may confirm or reject the decision.

Chapter 10.

Miscellaneous provisions.

Section 63. Should the county council or the rural district council may decide to raise loans, interest bearing debentures payable to the bearer may be issued. Such debentures must not have smaller denominations than 100 kroner, or the corresponding amount in foreign currency, and they shall state in which manner and during the course of which period the loan is to be repaid.

Section 64. When a payment is made by a county or rural district municipality to another county urban or rural district municipality, the auditor of the latter is to be notified.

Section 65. A public official (civil servant) shall at the request of the county mayor or the county governor gratuitously furnish such information as may be necessary to deal with county municipal affairs, and which he is able to furnish by virtue of his position.

Section 66. The provisions of sections 48 - 54 of this Act shall apply accordingly to companies and other associations of which county municipalities are the only
participants, and when the participants are responsible for the debts of the company or association.

Section 67.

1. The acting municipal councils in the rural and the urban district municipalities of the county shall before May 1st 1963 elect members with deputies to a special county council who shall function to the end of the year 1963. The election shall in other respects be held in accordance with the rules in section 5.

The county governor shall convene this county council to a session as soon as possible after the election has taken place. Election of county standing committee and of county mayor and deputy mayor shall be performed in accordance with the rules of section 7 and section 8. Until such elections have taken place, the meeting shall be conducted by the county governor.

The newly elected county municipal bodies and the county governor shall in conformity with the provisions of this act make the decisions which are necessary for preparing and putting into effect the new system. In the course hereof, the budget and taxation order for 1964 shall be prepared and adopted.

The existing bodies of county municipalities shall have charge of the business of the existing county municipality until January 1st 1964.

2. The municipal councils which are elected at the municipal election in the autumn of 1963 shall before January 1st 1964, conformably with the rules in section 6, elect members with deputies to a county council for the period January 1st 1964 to December 31st 1967.

3. The King may, if he finds it necessary, for each single one of the budget years 1964, 1965 and 1966 determine that the new county municipality shall perform certain duties which a county municipality according to the laws is not bound to perform.

4. If an urban district municipality and a county municipality concerned do not agree on a settlement of the financial
claims, the matter shall be decided by an evaluation committee of 3 members nominated by the King. Each of the parties may, within 3 months after report of the finding of the committee has been received, demand to have the matter dealt with by a superior committee of 5 members nominated by the King.

The ministry may give detailed rules for the procedure in committee and superior committee. The committee shall make their decisions in the form of reasoned findings.

Remuneration to members of the committee and experts shall be fixed by the ministry, which shall also approve the other expenses connected with the evaluation. The expenses shall be defrayed by the county municipality.

5. The King may make the provisions which are in other respects necessary for putting into effect the reorganization of the county municipality. In the course hereof he may make the necessary adjustments in application of current law.

Section 68. The provisions of section 67 shall enter into force at once. Otherwise the Act shall enter into force on January 1st 1964.