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Recently in the Official Journal No.129, dated 10.07.2020, has been published Law No.63/2020, dated 14.05.2020 “*On improvement of business areas*” (hereinafter referred to as “*Law No.129*”).

Law No.129 provides the concept of Business Improvement District (“*BID*”), which encompasses the contracting community of commercial units’ owners in the *BID* area. *BID*'s activity aims to revitalize business areas in cities and urban towns, facilitating their development, economic growth and sustainable development in the respective *BID* areas, where there is a high concentration of small businesses.

*Some of the most important aspects of Law No.129 are as follows:*

#### Object and purpose

Law No.129 regulates the legal status, purpose, term, financing, legal relations, basic principles and rules for the functioning of business areas in Albania.

Respectively, Law No.129 aims:

a) to create a mechanism where the owners of commercial units, which are used for business purposes, are encouraged to participate in the process of sustainable development of the *BID* area, through private contributions, which are used for additional services for businesses in the respective *BID* area and for improvements in public property;

b) to consolidate and develop the urban renewal of cities, recognizing the unique needs and common challenges faced by businesses with different local characteristics;

c) to facilitate the identification of certain geographical areas, to improve and increase the provision of municipal services within them;

ç) to clearly define the conditions under which a *BID* is created and to ensure that the holders of commercial units within the proposed *BID* areas are fully involved in the relevant processes, thus facilitating their participation in the issues of the area and city.

## The purpose of BID

The purpose of BID is:

- a) to assist in economic growth and sustainable development in the respective BID areas;
- b) to assist the development of commercial units in areas with different functions;
- c) to enable a cooperative approach between the respective municipality and the private sector, in the provision, improvement and addition of municipal services;
- ç) to facilitate investments of common interest in BID areas.

## BID period and renewal

A BID shall be established for a specified period as specified in the relevant BID prospect, but in any case, for a period of not less than 3 years and not more than 7 years, with the right of renewal.



## BID Prospect

After the authorization of the BID proposal by the municipality, the BID proposer, including but not limited to the municipality when acting as a BID proposer, prepares the BID prospect, according to the BID prospect model.

## BID approval

If within 30 calendar days from the publication of the BID notice, the BID prospect is accepted by more than 50% of all eligible voters in the respective BID area, by signing the voting form of the BID prospect, the BID prospect is considered accepted.

If within 30 calendar days from the publication of the BID notice, the BID prospect is rejected by at least 50% of all eligible voters in the respective BID area, by signing the voting form of the BID prospect, the BID prospect is considered unaccepted and cannot be implemented.

## Registration of the BID organization

With the approval of BID by persons with voting rights located in the BID area, the BID organization is created, where the respective municipality can participate as a member of the organization and/or as a member of the decision-making body depending on the type of non-profit organization that will be created.

## *Entry into force*

*Law No.129 enters into force 15 days after its publication in the Official Journal.*



If you wish to know more on our publications, legal updates, tax updates, legal bulletins, or other articles, you may contact the following:

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**Muja Law** is a family-run law office where we work hard for the success of our clients and to provide excellence in legal service. Our roots go back to 2001 when our Managing Partner, Krenare Muja (Sheqeraku), opened her law practice office in Tirana, Albania. Krenare’s son Eno joined her in 2014, and the other son Adi entered the practice in 2019. What started in Tirana as a small, family-run law office has grown and flourished in the community for the last 20 years. The office consists of various respected and talented lawyers who possess outstanding educational and community service backgrounds and have a wealth of experience in representing a diverse client base in various areas of the law.

The office is full-service and advises clients on all areas of civil, commercial and administrative law. With significant industry expertise, we strive to provide our clients with practical business driven advice that is clear and straight to the point, constantly up to date, not only with the frequent legislative changes in Albania, but also the developments of international legal practice and domestic case law. The office delivers services to clients in major industries, banks and financial institutions, as well as to companies engaged in insurance, construction, energy and utilities, entertainment and media, mining, oil and gas, professional services, real estate, technology, telecommunications, tourism, transport, infrastructure and consumer goods. In our law office, we also like to help our clients with mediation services, as an alternative dispute resolution method to their problems.

While we have grown over the past 20 years and become recognized as one of Albania’s leading law offices, we are grounded in the essence of “who” we are and “where” we started. We understand the importance of family, hard-work, and dedication.

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