LEGISLATION ON LOW VOLUME ROADS IN FINLAND
(Prepared by Jukka Isotalo, Director, FinnRA, 1997).

[A free translation of the main sections of the Act, focusing on the main issues relevant to co-operative roads.]

General Definitions

The law on Finnish low volume roads refers to all other roads except public (Government) roads, designated city streets and roads and roads within a single property with only one road user. The Finnish name of the law is "The Law on Private Roads". The form of management of roads under this law is in fact a co-operative, and the name could be translated into English as "The Law on Co-operative Roads".

The Law is composed of 14 chapters with 110 sections. It is accompanied by a Cabinet act with three chapters and 44 sections.

Chapter 1. General Definitions

Chapter one gives general definition on co-operative roads covered by this law including the right-of-way, borrow pits, bridges, ferries, quays and other technicalities needed on a motorable road. There are sufficient definitions on road maintenance, rehabilitation and construction. The law allows the right-of-way for the construction of a new road. However, it contains certain limitations as to possible damage to private property, rules for environmental considerations and references to general land use planning.

Chapter 2. Right-of-way and Other Legal Aspects of Road Use and Management.

As a basic right, every piece of land property shall have an option for an access road. The law stipulates rules for the compensation for land and for the use of road construction materials. For domestic needs, the law gives provision to attach timber loading platforms, ferries, quays and parking lots within the right-of-way. There is a special procedure, conducted by a land surveyor, during which the right-of-way of a co-operative road is established (in Finnish - tietoimitus). The procedure resembles expropriation.

The right-of-way, established through a surveying procedure, is permanent and surpasses all other rights assigned to a property. Such a right authorizes the management of the road co-operative to build and maintain the road including the right to cut trees and bushes for better visibility and to remove obstacles which may cause traffic hazard. The right-of-way area may be extended up to a width of 24 meters, thus prohibiting construction closer to the road.


Chapter 3. Compulsory Participation

The most important chapter included in the law deals with the compulsory participation of all beneficiaries in road management costs. Everybody, benefiting from a co-operative road, has to participate in cost covering. The amount of participation depends on how beneficiary the road is for the individual. This again depends on the land area along the road, the estimated amount of transport and the business he/she is conducting along the road. The benefits are calculated in numbers of so called "road units". The annual management costs are divided by the sum of all "road units" of the respective road. Each member of the co-operative pays his/her dues annually according to the number of units. This could be called a cost bearing share holding.

In case of a forestry road, the costs may be solely collected as transport fees. The form of a transport fee is also applicable to temporary heavy transports along all co-operative roads. The transport fees and annual road unit payments can be collected by distraint.

Chapter 4. Compensations

People along a co-operative road are entitled for compensation for land and possible damage, nuisance and additional costs when a new road is constructed or an old one is rehabilitated.

Chapter 5. The Road Survey (Tietoimitus)

The road survey procedure comprises the establishment of a co-operative road, expropriation of land if the owner is not volunteering to sell his/her land, decision on the right-of-way, membership of the road co-operative and division of road units to each member. The surveyor prepares a map of the road and marks the corner stones of each property. The survey procedure, described in ten sections, is similar to that of parcelling out sites according to the Finnish legislation.

The law states, that the legal entity established under the above procedure is called a road co-operative (in Finnish tiekunta). The members of the co-operative then decide whether they will have one person as a trustee or a triumvirate management board and then select such person(s) at the same meeting. The regional land survey office keeps record on all established road co-operatives (currently over 104 000 km in more than 20 000 different co-operatives)

Chapter 6. Role of the Municipal Government

The municipalities supervise all co-operative roads within their territory. In certain cases they act as first level appeal courts and confirm changes in the management of the roads.

Chapter 7. The Officials of a Co-operative Road

The officials of a road co-operative are selected for a four year period, however not against
his/her own will. The trustee may also be an outsider (not a member of the co-operative). The board meets upon the invitation of the chairman or deputy chairman. The fees of a trustee or board member is decided in the general annual meeting of the co-operative.

A road co-operative may act as a legal body in the court, purchase property and take bank loans. The trustee alone, or in case the road is managed by a triumvirate, two board members sign the name of the road. They are also responsible for the accounts and legal issues related to the road.

The annual meeting decides on:

- the terms of road usage to outsiders,
- the number and division of road units
- the budget,
- possible bank loans,
- the selection of the trustee or the triumvirate
- closing of the accounts and
- possible seasonal transport restrictions.

The number of votes depends on the number of road units. However, the maximum number of votes is limited to the extent that one single property owner may not have the sole majority. The possible way of appeal goes via the municipal board to the general courts.

**Chapter 8. Roads which do not form a Co-operative**

Two sections discuss possible legal issues related to informal private roads.

**Chapter 9. Responsibilities of the Members of a Road Co-operative.**

This chapter discusses the issues related to the failure of co-operative members to honour their obligations, change in the ownership of property, failure of the trustee or the triumvirate to perform his/her duties etc.

**Chapter 10. Temporary Use**

A permit for temporary use for a non-member may be issued by the trustee or the triumvirate against a compensation.

**Chapter 11. Cessation of a Co-operative Road**

In case the circumstances have changed, a co-operative road or a part of it may be suppressed. However, the outstanding loans have to be paid first, according to the road units of the members.
Chapter 12. Execution of Decisions and Coercive Measures

The unpaid road units and transport fees may be collected, added with the current legal interest, in the same way as Government taxes. This applies both to the construction of a new road or the maintenance of an existing one.

Chapter 13. Government or Municipal Support

In case there are funds in the Government’s annual budget or in the municipal budget allocated to the support of co-operative roads, the allocation shall be directed firstly to roads with importance to local transport needs and secondly to roads with access to at least three permanent residents and over one kilometre in length. A road with only forestry or summer cottage use, is not entitled for Government support. The theoretical maximum of Government support could amount to 75 % of the estimated maintenance costs (ferries up to 80 %). The maintenance supervisor of the local public roads will monitor the conditions of the Government support. The municipal support is decided in the annual budget of the respective municipality. In case a co-operative road receives public support of any kind, the members cannot prohibit outside traffic.

Chapter 14. Special Conditions

A road co-operative is tax exempted from property and income taxes (VAT yes). If the co-operative decides on transport restrictions, the police is entitled to enforce such a restriction, and the traffic violators will be fined.

The Act on Co-operative Roads.

The First Chapter deals with the Surveying of a Co-operative Road.

The Second Chapter defines more precisely the terms of Government support for co-operative roads for both maintenance and construction costs. The same chapter states Finnra's authority to supervise Government subsidiaries.

The Third Chapter defines more precisely the meetings of a co-operative, records of meetings, cost coverage, role of the municipal board and the way of possible appeals.