

Municipalities: Bill to Strengthen Control of Street and Informal Commerce Advances in Congress

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The Chamber's Interior Government Committee has sent to the floor a bill amending Law 18.695, the Organic Constitutional Law of Municipalities, granting local governments new tools to address street vending—including authority to seize goods sold illegally on public streets, and measures to formalize and relocate vendors.



The Interior Government Committee of Chile's Chamber of Deputies has sent to the floor a bill amending Law 18.695, the Organic Constitutional Law of Municipalities ([bulletin 17615](#)), aimed at introducing new mechanisms to oversee street vending and the informal economy.

According to the Chamber's bulletin, during the latest session lawmakers voted on pending amendments concerning where street or stationary vendors may legally operate.

"The core aim of the bill is to provide municipalities across the country with more tools, spelling out in their organic law a set of actions they can take to combat illegal trade. For example, it would authorize the seizure of goods sold unlawfully in public spaces and expedite the recovery of those spaces. The focus is particularly on areas most affected by the expansion of illegal commerce," the Chamber's report states.

The initiative also seeks to tighten oversight of street-vendor permits, requiring that the mayor's annual public address disclose how many permits are issued each year.

Additionally, lawmakers backed requiring municipalities to define in their local ordinances the specific areas where this type of commerce may take place: "They must also include, at a minimum, a single personal identification system with a photographic record authorizing vendors, along with measures to prevent and detect commerce that fails to comply with current regulations," the proposal specifies.

The municipal ordinance will also "regulate the procedure for seizing merchandise, equipment, or objects used to conduct this commerce without authorization—such as vehicles or handcarts—and for their destruction as quickly as possible, seeking not to exceed a 48-hour period."

Another provision stipulates that ordinances governing street vending must take into account the public-safety assessment of the municipality prepared by the Communal Public Security Council, as well as the guidance and measures set out by the municipality in its respective Communal Public Security Plan.

"In addition, the Ministry of Public Security, regional public-security secretariats, and municipalities may join legal proceedings when the Internal Revenue Service (Servicio de Impuestos Internos, SII) acts as the complainant," the bill adds.

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