

Planning and Building Act

No. 73/1997, no. 135/1997

and no. 58/1999

CHAPTER I

General Provisions

Article 1

Aims.

The aims of this Act are:

to ensure that the development of settlement and land use in the country as a whole will be in accordance with development plans which are based on the economic, social and cultural needs of the population, and also their health and safety;

to encourage the rational and efficient utilization of land and natural resources, to ensure the preservation of natural and cultural values and to prevent environmental damage and over-exploitation, based on the principles of sustainable development;

to ensure security under the law in the handling of planning and building issues so that the rights of individuals and legal persons will not be neglected even though the common interest is the guiding principle;

to ensure the professional preparation of development and active monitoring to ensure that the requirements regarding safety, durability, appearance and suitability of buildings and other structures are fulfilled.

Article 2

Definitions.

Municipal plan: A development plan for a specific municipality expressing the local authority's policy regarding land use, transportation and service systems, environmental matters and the development of settlement in the municipality during a period of not less than 12 years.

Building permit: A permit issued by a local authority to build, alter or demolish buildings or other structures or to alter their use. The permit includes the approval of general drawings and

development proposals and an authorization to begin work after certain conditions have been met (*cf.* Article 44).

Local plan: A development plan for specific areas within a municipality, based on the municipal plan and containing further provisions on its implementation. Local planning provisions apply equally to urban areas and to rural areas.

Development permit: A permit to execute development projects according to a development plan, which are not subject to the provisions of Chapter IV of this Act regarding structures.

Local conservation provisions: Provisions in a regional, municipal or local plan regarding the conservation of the characteristics of buildings or other remains of historical or cultural value.

Land use: The designation of land for use of various types, e.g. for residence, industry, commerce, recreation or agriculture.

Density: Density of land use or development often expressed by e.g. plot ratio, urban density or the number of grazing animals.

Plot ratio: The ratio of the gross floor area on a plot or piece of land and the area of the plot or piece of land.

Development plan: A plan setting out the objectives of the relevant authority and decisions regarding the future use of land and settlement arrangements, including an account of the premises for these decisions. Development plans fall into three categories: regional plans, municipal plans and local plans. Development plans are presented in a statement and on a land use map.

Planning restrictions: Restrictions which are imposed on individual plots within a development plan, regarding, e.g., the number of parking spaces, right of traffic access or the location of conduits.

Planning conditions: Provisions in a development plan concerning the detailed implementation of a plan regarding the composition of a settlement, location and height of buildings, etc.

Regional plan: A development plan covering more than one municipality. The role of a regional plan is to co-ordinate policies regarding land use, transportation and service systems, environmental matters and the development of settlement in the region during a period of not less than 12 years.

Urban area: A settlement with at least 50 inhabitants where the distance between houses does not generally exceed 200 m.

Urban density: Density within an urban area based on the gross land area, expressed, i.a., as the ratio between the total floor area in a specific area and the surface of that area or as other ratios, such as the number of inhabitants per hectare or the number of flats per hectare.

CHAPTER II

Planning and Building Authorities.

Article 3

Control of planning and building.

The Minister for the Environment shall have supreme control of planning and building under this Act. The Planning Agency shall assist the minister (*cf.* Article 4).

Local authorities shall prepare regional, municipal and local plans. They shall examine applications for permission, grant building permits and development permits and carry out building inspection with the assistance of elected committees and specialized employees.

Article 4

The Planning Agency.

The state shall operate the Planning Agency. The role of the agency shall be:

- a. to monitor the application of this Act and regulations issued hereunder;
- b. to give advice on planning and building;
- c. to monitor the planning situation in the municipalities;
- d. to assist the local authorities and guide them in preparing development plans;
- e. to issue statements on matters of dispute regarding planning and building;
- f. to ensure that data is available on land-use plans on the national level, and to ensure coherence between them;
- g. to carry out and encourage planning and building research in collaboration with the relevant institutions and interested parties, and also to carry out or encourage the publication of information on these matters;
- h. to monitor and provide information on access for the disabled;
- i. to implement law on environmental impact assessment.

Article 5

The Director of the Planning Agency.

The director of the Planning Agency shall be in charge of the day-to-day operation of the Planning Agency. He shall hold a university qualification in the field of planning and building. The minister shall appoint the director for terms of five years at a time.

The director of the Planning Agency shall be responsible to the minister for the administration, operation and functional organization of the Planning Agency, and shall draw up operational budgets for it. The director shall engage other employees of the agency.

Article 6

Building and planning committees.

In each municipality there shall be a building committee, elected by the local authority. The local authority may decide that the committee shall also deal with planning matters in the municipality, in which case it shall be called the planning and building committee, but otherwise there shall also be a separate planning committee.

Building committees shall be in charge of building matters under the supervision of the local authorities.

Planning committees shall be in charge of planning matters under the supervision of the local authorities.

The local authority shall determine the number of committee members. The provisions of the Local Government Act shall also apply, as appropriate, to building committees and planning committees and their work.

Building officers and planning officers, as appropriate, shall attend meetings of the committees and have the right to address them and make proposals.

Local authorities may collaborate with neighbouring local authorities on the election of building and planning committees and the engagement of building and planning officers. In such cases, the local authorities concerned shall draw up agreements, which shall be approved by the minister, on the establishment of the committees.

Article 7

Employees of the building and planning committees.

There shall be a building officer in each municipality or area administered by a building and planning committee. Building officers shall meet the conditions of Articles 48 and 49 of this Act, and the local authority shall send the Planning Agency a notification of his engagement. The building officer shall be the building committee's executive officer.

The local authority may also entrust planning matters to the building officer, who shall then be designated a planning and building officer; otherwise, a separate planning officer shall work in the municipality. The planning regulations shall specify the qualifications demanded of a

planning officer as regards education and working experience. The planning officer shall be the planning committee's executive officer.

No employee of a planning or building committee may carry out any work which may come before the building committee in his administrative area under Chapter IV of this Act except with the special permission of the local authority.

Article 8

The Planning and Building Tribunal.

The Minister for the Environment shall appoint a Planning and Building Tribunal for terms of four years at a time.

The tribunal shall deliver rulings in cases of dispute in planning and building matters under this Act. The tribunal shall consist of three persons, one appointed without nomination and two nominated by the Supreme Court. One of the latter two shall be the chairman of the tribunal, and shall meet the requirements made concerning district court judges. Alternates shall be appointed in the same way. The minister shall issue regulations setting forth further provisions on the work of the tribunal, the matters with which it deals, its sphere of influence, working conditions, etc.

The tribunal may summon specialists to assist it in delivering rulings on individual cases. Rulings by the tribunal shall be final rulings at the executive level, and may not be referred to the Minister for the Environment.

The tribunal shall deliver rulings as quickly as possible, and not later than two months after it receives the case. If a case is of very large proportions and it can be foreseen that it will take a longer time to process, the tribunal shall inform the party involved and specify the period it will take, which however shall at no time exceed three months.

If in a case of dispute it is demanded that construction works be suspended, the tribunal shall immediately deliver a ruling on this point. The local authority shall be obliged to enforce a ruling on the suspension of work immediately, with police assistance if necessary.

In other respects, cases shall be handled in accordance with the Administrative Procedure Act, No. 37/1993.

The tribunal's expenses shall be borne by the Treasury.

CHAPTER III

Preparation and implementation of development plans.

Article 9

Planning requirements.

The entire country is subject to planning requirements. The construction of buildings and other structures, above and below ground level, and other construction works and measures which have an effect on the environment and change its appearance shall be in accordance with development plans (*cf.* Article 43 of this Act on the granting of building permits and Article 27 on the granting of development permits).

Development plans set out policy on land use and development of settlements. They state objectives regarding individual aspects of residential areas, employment areas, nature conservation, transportation, etc., in accordance with Article 1 of this Act.

Development plans shall contain, *i.a.*, descriptions of the natural environment and all local conditions in the planning area at the beginning of the planning period and the premises for the policy they contain.

When development plans are prepared, every effort shall be made to seek the viewpoints and proposals of the inhabitants and others who have interests to defend regarding the formulation of policy and the objectives of the development plan.

Development plans shall account for the impacts of the plan, its objectives and proposed development, on the environment, natural resources and the community, including, *i.a.*, with a comparison of the possible alternatives.

If there exist within the boundaries of the planning area individual buildings, structures, groups of buildings, natural features or vegetation which is considered desirable to conserve because of their historical, natural or cultural value, without statutory protection, then local conservation provisions shall be included in the relevant development plan.

There shall be internal cohesion between regional, municipal and local development plans.

Article 10

Planning regulations.

The Minister for the Environment shall, on receipt of the proposals of the Planning Agency and the comments of the Union of Local Authorities in Iceland, issue regulations covering the whole country concerning the preparation of development plans.

The planning regulations shall include further provisions on the preparation of development plans, concerning, e.g., the content of planning statements, the presentation of land use maps, planning restrictions and planning conditions, consultation, the presentation of proposals and the approval of development plans.

The planning regulations shall define land-use categories and local conservation provisions, and also other terms which occur in the regulations and require definition.

The planning regulations shall include provisions on safety considerations and restrictions to land use, e.g. in connection with natural hazards or pollution. Special provisions shall also be made on access and the needs of children, the handicapped and the elderly.

The planning regulations shall include provisions on the working procedures of the planning committees, planning officers and joint regional planning committees, and on the qualifications and working experience of planning officers and other persons who are entrusted with the preparation of development plans.

Article 11

Plans on land use at the national level.

The Planning Agency shall gather information and have access to and preserve plans produced by other public entities on land use which apply to the country as a whole, e.g. regarding transportation, telecommunications, power structures and nature conservation.

If inconsistencies or other conflicts of interest are revealed in land use as set forth in individual plans, the Minister for the Environment may, after consulting the Prime Minister and the Union of Local Authorities in Iceland, decide to appoint a special committee to make proposals on the co-ordination of the relevant plans. On receipt of the proposals of the committee, the Minister for the Environment may require the local authorities to incorporate the proposals in the development plans (*cf.* Articles 12 and 16).

Article 12

Regional plans.

Regional plans shall be prepared at the initiative of the relevant local authorities or the Planning Agency with the aim of co-ordinating the policy of local authorities on development of settlement and land use over a period of at least 12 years.

The municipalities covered by a regional plan shall normally form a single geographical, economic and social entity. A regional plan shall cover all the land of the municipalities involved, *cf.* Article 12 a.

In other respects, the provisions of Article 9 of this Act and the provisions of the planning regulations shall apply to the preparation of regional plans.

The appropriate local authorities shall, in consultation with the Planning Agency, establish a joint committee on the preparation of the regional plan, *cf.* Article 12 a and paragraph 6 of this Article. Each local authority shall nominate two representatives. The agency shall nominate a representative to work with the committee; who shall have the same rights as other members of the committee, with the exception of voting rights. On receipt of the joint committee's proposals, the minister shall set working rules for the committee which shall be published in Section B of the Law and Ministerial Gazette.

After each local government election, the local authorities involved shall assess whether there is a need to revise the regional plan. If it is decided to revise it, the procedure shall be the same as if a new regional plan were being prepared.

In regions where there is disagreement between the local authorities regarding land use, or where policy on land use has a substantial bearing on the interests of persons living outside the relevant region, the Minister for the Environment may decide to appoint a special committee to submit proposals for a regional plan. Such a regional plan may cover part of the land within the boundaries of the municipalities involved.

The Minister can, after consulting the Planning Agency, postpone the approval of a specific area within a regional plan if it is regarded necessary to coordinate the development plans of neighbouring municipalities. These areas shall be marked on a land use map.

Article 12a

Planning of the central highlands.

The boundary of the central highlands is according to the boundary that was decided in the making of the regional plan for the central highlands by a special joint committee which was appointed according to interim provisions in Article 1 in Act nr. 73/1993. The joint committee of the central highlands or the relevant municipalities can, after a consultation with one and other, make a proposal to the minister on changes of the boundary of the central highlands. The minister takes a stand on such proposals and decides whether changes to the boundary shall be made.

After each general municipal election the minister appoints a joint committee of the central highlands to serve for four years. The committee makes a regional plan proposal for the central highlands. The committee shall include 12 members, one appointed by each constituency, one by a union of outdoor recreation societies, one by the minister of social affairs and two without appointment; one of them shall be the chairman of the committee and have the casting vote; the other shall be from a constituency which is adjacent to the central highlands but from a municipality which is not adjacent to it. The representatives of the constituencies which are adjacent to the central highlands shall be appointed by the constituency's municipalities which own land adjacent to the central highlands. The Association of Local Authorities in the Westfjords appoints the representative for the Vestfirðir constituency, the city of Reykjavík appoints the representative for the Reykjavík constituency and the Association of Municipalities in the Capital Area and the Federation of Suðurnes Municipalities appoint the representative for the Reykjanes constituency. The minister can appoint up to four representatives to the committee, who have a freedom of speech and a right to put proposals forward.

The joint committee of the central highlands prepares a regional plan for the central highlands and makes sure that the municipal plans of individual municipalities in the central highlands are in coordination and that the municipal plans and the regional plan for the central highlands are in coordination. The committee shall seek proposals from the relevant municipalities in the making of a regional plan proposal. When a new joint committee of the central highlands has been

appointed it shall assess whether it is necessary to review the regional plan for the central highlands.

The cost of preparing a regional plan for the central highlands is paid by the state treasury.

The minister for the environment sets rules for the operation of the joint committee after consulting the committee and the Planning Agency.

Article 13

Presentation, advertisement, adoption and approval of regional plans.

Before a joint committee makes its conclusion on a regional plan proposal the proposal and its objectives and premises shall be presented at a public meeting or meetings or in another satisfactory manner, and the presentation shall be advertised in a conspicuous way.

When the joint committee has submitted a regional plan proposal, it shall be advertised in the Official Gazette, and in a conspicuous way in the relevant municipalities, and shall be kept on display there with supplementary materials for at least four weeks. In addition, the proposal shall be advertised outside the municipalities.

The advertisement shall give any interested party the chance to make objections to the proposal before a certain timelimit, which shall not be less than six weeks after the publication of the advertisement. The advertisement shall state where objections are to be sent, and that any person who does not make objections to the proposal as advertised by the specified timelimit shall be regarded as agreeing to it. When the timelimit has passed, the joint committee shall adopt a position on the objections and send the relevant local authorities its regional plan proposal, together with the objections and its comments on them, within six weeks. In addition, the proposal shall be made known to the local authorities of adjacent municipalities. The joint committee shall advertise its conclusion, and shall also send the parties who submitted objection the committee's comments on those objections. The local authorities shall adopt a position on the joint committee's proposal within six weeks, and shall be regarded as having adopted it if they do not state an opinion within that period.

A regional plan shall be regarded as being adopted when, and to the degree that, all the local authorities involved have adopted it. When a proposal has been adopted, the joint committee shall send it to the Planning Agency, which shall then submit proposals to the minister regarding the final approval of the regional plan.

The minister shall approve the regional plan, and it shall be published in Section B of the Law and Ministerial Gazette. If all the local authorities involved agree, then specific issues in the proposal may be approved.

Article 13a

Presentation, advertisement, adoption and approval of the regional plan

for the central highlands.

Before the joint committee of the central highlands makes its conclusion on a regional plan proposal for the central highlands the proposal, its objectives and premises shall be presented at a public meeting or meetings or in another satisfactory manner, and the presentation shall be advertised in a conspicuous way. The proposal shall also be presented to the relevant local authorities.

After a presentation according to paragraph 1 the joint committee of the central highlands shall submit the proposal to the Planning Agency. If the Planning Agency makes no comments within four weeks of its receipt of the proposal, the proposal shall be advertised without amendments.

The joint committee of the central highlands shall advertise a regional plan proposal for the central highlands or amendment to it in a conspicuous manner. The proposal shall at least be advertised in a newspaper which is published nationwide and in the Official Gazette. The advertisement shall state where the proposal is on display, and for how long, the period not being shorter than four weeks. The proposal shall be on display at the Planning Agency, in relevant municipalities and in all constituencies of the country. The advertisement shall state that any interested party has the chance to make objections to the proposal before a certain timelimit, which shall not be less than six weeks after the publication of the advertisement. The advertisement shall state where objections shall be sent, and that any person who does not make objections to the proposal as advertised by the specified timelimit shall be regarded as agreeing to it.

When the timelimit has passed, the joint committee for the central highlands shall discuss the proposal again. In this discussion the committee shall adopt a position on any objections that have been submitted and whether the proposal needs to be amended. The joint committee's conclusion shall be advertised. If the joint committee for the central highlands decides to make fundamental changes to the proposal, the amended proposal shall be advertised again.

When the joint committee for the central highlands has adopted the regional plan for the central highlands it shall send it to the Planning Agency, together with any objections submitted and its comments on them, within eight weeks of the timelimit for submitting objections according to paragraph 3 above. The parties who submitted objections shall also receive the committee's comments on their objections.

Within four weeks of its receipt of the regional plan proposal, the Planning Agency shall submit a proposal to the minister for the environment on the approval, rejection or postponement of approval of the plan, either in its entirety or in part.

The minister for the environment approves the regional plan for the central highlands and the approval shall be published in Section B of the Law and Ministerial Gazette.

Article 14

Amendment of a regional plan.

If a local authority which is a party to an approved regional plan considers that it needs to be amended, the procedure shall be in accordance with Articles 12 and 13.

If a local authority considers that an approved regional plan needs to be amended but that the amendments are so insubstantial that it does not consider there is reason to apply the procedure specified in paragraph 3 of Article 13, it shall then send a proposal, with reasons, to the Planning Agency. Before doing so, it shall make the amendment known to the other local authorities involved in the regional plan and advertise it in a conspicuous manner. The proposal shall be accompanied by a declaration from the local authority that it undertakes to compensate for damage which individual parties may suffer as a result of the amendment. The Planning Agency shall forward the proposal to the minister together with its comments. If the minister approves the amendment, it shall be published in Section B of the Law and Ministerial Gazette.

Article 14 a

Amendment of the regional plan for the central highlands

If the joint committee for the central highlands considers that the regional plan for the central highlands needs to be amended, the procedure shall be in accordance with Article 13 a. If a local authority of a municipality which is a part of the central highlands considers that the regional plan needs to be amended, it shall submit a reasoned proposal for the amendment to the joint committee for the central highlands.

Article 15

Special regional plans.

A procedure involving a special regional plan may be adopted regarding proposed structures such as national roads, power installation or telecommunication lines, or plans covering the building of such structures. The party responsible for the relevant plan or development project may apply to the Planning Agency to have the location of the structure, or the plan, treated as a special regional plan.

The Planning Agency shall advertise such a special regional plan proposal in the Official Gazette, and by means of conspicuous advertisements in the municipalities involved, and the proposal shall be kept on display there, together with supplementary materials, for at least four weeks. In addition, the proposal shall be advertised outside the municipalities.

Inhabitants and other interested parties in the relevant area shall be given six weeks from the date of publication of the advertisement to submit objections against the proposal in writing to the Planning Agency. After that time, the agency, in consultation with developer, shall adopt a position on the objections and send the relevant local authorities its proposal for such a regional plan, together with the objections and its comments on them, within six weeks. The parties who submitted the objections shall also be sent the Planning Agency's comments on their objections. The local authorities shall adopt a position on the proposal within six weeks, and shall be regarded as having adopted it if they do not state an opinion within that period.

The Planning Agency shall then submit a proposal to the minister regarding the final approval of such a regional plan.

The minister shall approve the special regional plan, and it shall be published in Section B of the Law and Ministerial Gazette.

Article 16

Municipal plans.

Each local authority is responsible for having a municipal plan prepared for the municipality. The municipal plan shall cover all the land within the municipality's boundaries.

The municipal plan shall set out the local authority's policy regarding land use, transportation and service systems, environmental matters and the development of settlement during a period of at least 12 years. The preparation of the plan shall take account of the aims of this Act and forecasts on the development and needs of the municipality during the period covered.

When a municipal plan is prepared, the aim shall be to achieve conformity with the plans of adjacent municipalities.

In other respects, the provisions of Article 9 of this Act and the provisions of the planning regulations shall apply to the preparations of municipal plans.

After each general municipal election the local government decides whether the municipal plan should be reviewed. The review procedure is the same as if a new municipal plan were being prepared.

Article 17

Presentation of a municipal plan proposal.

Before a local authority makes its conclusion on a municipal plan proposal, or proposal for substantial amendments to a plan, the proposal and its objectives and premises shall be presented to the inhabitants of the municipality at a public meeting or in another satisfactory manner. The presentation shall be advertised in a conspicuous way.

In addition, the proposal shall be made known to the local authorities of the adjacent municipalities. If the municipal plan proposal covers part of the central highlands it shall also be advertised in the Official Gazette and be on display at the Planning Agency.

After a public presentation, the proposal shall be presented to the local authority for discussion. Following discussion, the local authority shall submit the proposal to the Planning Agency for examination. If the Planning Agency makes no comments within four weeks of its receipt of the proposal, the proposal shall be advertised without amendment according to Article 18. The Planning Agency shall seek the comments of the joint committee for the central highlands on municipal plan proposals of municipalities within the central (*cf.* paragraph 3 of Article 12 a).

If the Planning Agency considers that the proposal does not meet the requirements set forth regarding municipal plans, it shall seek to reach an agreement with the local authority regarding

amendments. If no agreement is reached, the local authority is nevertheless authorised to advertise the proposal, but shall also show the Planning Agency's comments on the proposal.

Article 18

Advertisement and adoption of a municipal plan proposal

The local authority shall advertise a municipal plan proposal or amendment to a municipal plan in a conspicuous manner. The proposal shall also be advertised in the Official Gazette and be on display at the Planning Agency.

The advertisement shall state where the proposal is on display, and for how long, the period being not shorter than four weeks. The advertisement shall give any interested party the chance to make objections to the proposal before a certain timelimit, which shall not be less than six weeks after the publication of the advertisement. The advertisement shall state where objections are to be sent, and that any person who does not make objections to the proposal as advertised by the specified timelimit shall be regarded as agreeing to it.

When the timelimit has passed, the local authority shall discuss the proposal again after the planning committee has discussed it. In this discussion, the local authority shall adopt a position on any objections that have been submitted and whether the proposal needs to be amended. The local authority's conclusion shall be advertised.

If in its second discussion of the municipal plan proposal, the local authority decides to make fundamental changes to it, the amended proposal shall be advertised again in accordance with paragraphs 1 and 2 of this Article.

When the local authority has adopted the municipal plan, it shall send it to the Planning Agency, together with any objections submitted and its comments on them, within eight weeks of the timelimit for submitting objections according to paragraph 2 above. The parties who submitted objections shall also be sent the local authority's comments on their objections.

Article 19

Approval, publication and commencement of a municipal plan.

A municipal plan, or an amendment to such a plan, shall be subject to approval by the minister, and shall enter into force when his approval has been published in Section B of the Law and Ministerial Gazette.

Within four weeks of its receipt of a municipal plan proposal, the Planning Agency shall submit a proposal to the minister on the approval, rejection or postponement of approval of the plan, either in its entirety or in part.

The Planning Agency's proposal on the approval, rejection or postponement of approval of a plan, either in its entirety or in part, shall be supported by a statement stating whether there are procedural flaws in the handling of the matter by the local authority or substantive flaws in the

preparation of the plan. Before making a decision, the minister shall seek the comments of the local authority.

Article 20

Postponement of the preparation or approval of a municipal plan.

After receiving the comments of the Planning Agency, and with the approval of the minister, a local authority may postpone for a specified number of years, though not for more than four years at a time, the preparation of a municipal plan for a specific area if uncertainty prevails on particular points which might have a substantial effect on the implementation of the plan.

The minister may, after receiving the comments of the Planning Agency, postpone the approval of a municipal plan for a specific area, though not for more than four years at a time, if it is considered necessary to co-ordinate more closely the municipal plans of adjacent municipalities. Such areas shall be marked on a land use map.

Article 21

Amendment of a municipal plan.

If a local authority considers it necessary to amend an approved municipal plan, the procedure shall be in accordance with Articles 17 and 18.

If a local authority considers that an approved municipal plan needs to be amended but that the amendments are so insubstantial that it does not consider a reason to apply the procedure specified in Articles 17 and 18, it shall send a proposal on the amendments, with reasons, to the Planning Agency. The proposal shall be accompanied by a declaration from the local authority that it undertakes to compensate for damage which individual parties may suffer as a result of the amendment. The Planning Agency shall forward the proposal to the minister together with its comments within a week of receiving the proposal from the local authority. If the minister approves the proposal, it shall be advertised in a conspicuous manner. If no objections are received within three weeks of the advertisement, the proposal shall be regarded as adopted. If objections are received to the proposal after it has been advertised, the local authority shall hold one discussion on the objections. The local authority's conclusion shall be sent to the minister for approval and published in Section B of the Law and Ministerial Gazette.

Article 22

Disputes concerning municipal plans on boundaries between municipalities.

If local authorities in adjacent municipalities are not able to resolve disputes on points which are to be co-ordinated in their municipal plans, then at the initiative of the Planning Agency, a special committee shall be entrusted with submitting a proposal which shall apply jointly to the municipalities concerning the matters in dispute.

Each of the local authorities involved shall appoint two persons to the committee, and the Planning Agency shall appoint one, who shall be its chairman. The Planning Agency shall assist the committee as necessary.

If the committee comes to a joint conclusion, the local authorities involved shall each advertise the committee's proposal as a municipal plan proposal in accordance with Articles 17 and 18.

Article 23

Local plans.

Local plans shall be made on the basis of the municipal plan for individual areas in which development is proposed.

In existing settlements where no local plan exists, the local authority may grant building permits following a neighbourhood consultation (*cf.* paragraph 7 of Article 43).

Local plans are presented in a statement and on a land use map. The statement shall describe the premises for the local plan and explain individual features of it, as well as planning and construction requirements which further specify planning restrictions and other matters which must be observed under the plan. Local plans shall embody in further detail the provisions of municipal plans for the relevant area.

When a local plan is prepared in an existing settlement, a survey of the historical value of buildings and towns shall be carried out at the same time, and this shall be referred to in the preparation of the proposal.

In other respects, the provisions of Article 9 of this Act and the provisions of the planning regulations shall apply to the preparation of local plans.

Article 24

Local plans covering privately-owned land.

When privately-owned land is made into housing plots through a local plan at the request of the landowner, the owner shall at the commencement of development make over to the local authority, without recompense, those parts of the land which under the plan are intended for common needs, e.g. for roads, playgrounds and open areas. However, the landowner shall not be obliged to make over in this way more than the equivalent of one third of the area of the plots which will become usable as building plots. If a change is made in the land use, the land shall revert to the party who made it over without recompense, and the landowner and the local authority shall enter into an agreement on the condition in which the land is to be returned.

The provisions of this article shall not apply to holiday cottage areas in which the local authority does not undertake road-building or other joint development projects or operations.

Article 25

Advertisement, adoption and commencement of a local plan.

When the local authority has agreed to advertise a local plan proposal, it shall be advertised and publicised in the same way as is provided for in the case of the advertisement of a municipal plan proposal in paragraphs 1 and 2 of Article 18. The proposals shall be made known to the local authorities of adjacent municipalities.

When the timelimit for submitting objections has passed, the local authority shall discuss the proposal again after the planning committee has discussed it. In this discussion, the local authority shall adopt a position on any objections that have been submitted and whether the proposal needs to be amended. If no objections are submitted, it shall not be necessary to make it the subject of another discussion by the local authority; instead, it shall be sent to the Planning Agency in accordance with paragraph 3. The local authority's conclusion shall be advertised.

If the local authority decides to make fundamental changes to a proposal that has been advertised, the amended proposal shall be advertised again in accordance with paragraph 1.

When the local authority has adopted the local plan, it shall send it to the Planning Agency, together with any objections submitted and the local authority's comments on them. In addition, the local authority shall send the parties who submitted objections its comments on their objections. If the Planning Agency considers that there are procedural or substantive flaws in a local plan submitted to it, it shall express its comments to the local authority.

An advertisement of the adoption of the local plan shall be published in Section B of the Law and Ministerial Gazette.

Article 26

Amendment of a local plan.

If a local authority decides to amend a local plan, it shall treat the amendment as if it were a new local plan.

However, it shall be permitted not to advertise the plan proposal if the amendment is insubstantial. The matter shall then be made the subject of thorough neighbourhood consultation, and those who regard themselves as having interests to defend shall be given the opportunity of expressing their views on the amendments (*cf.* paragraph 7 of Article 43). One discussion of such a proposal by the local authority shall be sufficient. The local authority shall submit the amended plan to the Planning Agency (*cf.* paragraph 3 of Article 25), together with a declaration that it undertakes to compensate for damage which individual parties may suffer as a result of the amendment.

An advertisement of the adoption of the local plan shall be published in Section B of the Law and Ministerial Gazette.

Article 27

Development permits.

Substantial development projects which have an effect on the environment and change its appearance, alteration of land by changing its soil or the removal of material, shall be in accordance with development plans and decisions on environmental impact assessments, where appropriate. It shall not be permitted to begin such projects which are not subject to a building permit under Chapter IV until a development permit has been obtained from the relevant local authority.

In the event of doubt as to whether a development project is subject to the provisions on development permits, the Planning and Building Tribunal shall deliver a ruling.

A development permit shall expire if work has not begun within 12 months of the issue of the permit.

The Minister shall make further provisions on the issuing of development permits in regulations.

Land reclamation and forestry plans shall be in accordance with development plans and decisions on environmental impact assessment, where appropriate.

Article 28

Surveying and map-making.

Developed areas and their surroundings shall be surveyed and mapped as is considered necessary in connection with planning work. Those in authority over estates and plots shall be obliged to allow surveyors to enter estates and plots as the need arises in connection with surveying, and allow them to place fixed reference points where these are necessary, providing that they do not result in disfigurement or damage.

Article 29

Property registers.

Local authorities shall have registers (property registers) compiled covering all farms, estates and plots within the municipality. Each register shall contain references to boundaries and ownership in accordance with officially registered records. All streets, roads and squares in the municipality shall be given names and numbers which shall be registered.

Regulations issued by the minister on receipt of the proposals of the Planning Agency, and in consultation with the Ministry of Justice, the General Valuation Office, the Union of Local Authorities in Iceland and the Statistical Bureau of Iceland, shall set forth further provisions on the registration of plots and real estate and the preparation and presentation of a land register (*cf.* the Real Estate Registration and Assessment Act).

Article 30

Division of estates and plots.

Farms, estates and plots may not be divided, and their boundaries may not be altered, without the permission of the local authority.

Before a local authority grants such permission for building plots, it shall decide the name of the street and the street numbers; other defined land ownership units shall have names for registration in the property register (*cf.* Article 29).

The local authority may require the owners of estates and farms to have satisfactory maps, with co-ordinates made, showing new boundaries for the use of the property register and the registration authority.

Article 31

Local authorities' preemptive right to real estate.

When a development plan under this Act enters into force, the local authority shall acquire a preemptive right to the properties of which it is necessary for it to have control in order to implement the plan.

The local authority may reserve for itself a special preemptive right to certain properties which do not fall under paragraph 1 with an aim of facilitating the planned development of the municipality. The adoption by the local authority of such a preemptive right shall receive the approval of the minister and shall be published in Section B of the Law and Ministerial Gazette.

When selling their properties, the owners of properties covered by preemptive rights shall be obliged to offer the local authority to intervene in the purchase of the properties. The local authority shall state whether it wishes to exercise its preemptive right within four weeks of its being offered to do so. If the local authority does not reply to an owner's offer within the timelimit, the offer to exercise the preemptive right shall be regarded as having been rejected.

The provisions of this Article shall not interfere with the provisions of other statutes specifying more wide-ranging preemptive rights of the local authorities. Procedure concerning cases involving preemptive rights shall be in accordance with the Act No. 22/1932.

Article 32

Authorisation for compulsory possession.

After receiving the comments of the Planning Agency, the minister may grant the local authority authorisation to acquire by compulsory possession areas of land, real estate and quarries, or restricted rights of ownership of such items within the municipality if this is necessary in connection with the planned development of the municipality according to an approved municipal plan.

On receipt of the comments of the Planning Agency, and on the basis of the current local plan, the local authority may acquire the following by compulsory possession in connection with the implementation of the plan:

1. Real estate which is necessary for the local authority to gain control of, in accordance with the development plan, for common needs.
2. A plot which the owner is not using in the manner decided under the current local plan, providing that the timelimit that was set for building on the plot or altering its use has expired.
3. Real estate, or a part of a real estate unit covered by preservation or local conservation provisions, providing that compulsory possession is necessary in order to ensure the implementation of the plan.
4. Real estate, or a part of a real estate unit on a building plot which is to be redeveloped under a local plan, where it has not been possible to reach agreement with the owner on his part in the redevelopment and compulsory possession is necessary in order to make redevelopment possible.
5. A plot or part of a plot which prevents a new division of plots as determined under a local plan.

Compulsory possession shall only be permitted after the local authority has demonstrably sought to reach agreement with the owners of the properties or rights which it intends to acquire by compulsory possession.

Compulsory possession procedure and the determination of compensation shall be subject to the Act No. 11/1973. Compensation for compulsory possession shall be paid from the local authority treasury.

Article 33

Compensation in connection with the implementation of plans and the acquisition of properties.

If the entry into force of a plan causes a reduction in the value of real estate, if the purposes for which it may be used are abridged compared with what was previously allowed, or if it will deteriorate so that it cannot be used for the same purposes as previously, then a person who is able to demonstrate that he will suffer damage for these reasons shall be entitled to receive compensation from the local authority treasury, or to have the treasury take over the property.

When compensation in connection with planning measures is determined, attention shall be given to possible increases in value of the relevant property as a result of the measures. When compensation is determined, consideration shall be given to whether the new plan has already affected the value of the property or will do so at a later date, the requirements concerning the density, the number of storeys, parking spaces, children's play areas and open areas in the case of comparable properties, and also whether the plan makes the position of the property relative to the street more or less advantageous than it used to be. Consideration shall also be given to the financial yield which the normal use of the property generates.

A person who considers he is entitled to receive compensation, or who demands to have the property taken over under this article, shall submit his claim to the local authority. If the local

authority accepts compensatory liability, it shall see to having assessors appointed by a court in order to determine the amount of compensation. If the local authority accepts a demand that it take over the property, then a compulsory possession compensation assessment committee shall be entrusted with determining the purchase price.

Article 34

Payment of the cost of plan making.

The cost of the preparation of development plans shall be paid as follows:

1. The cost of the preparation of plans which cover the whole country shall be paid in full by the institutions or companies involved. The Planning Agency shall bear the cost of necessary data acquisition and processing (*cf.* paragraph 1 of Article 11).
2. The cost of the preparation of regional plans shall be borne by the Planning Agency and the local authorities involved in accordance with a previously made agreement (*cf.* Article 12 a).
3. Where a local authority undertakes the regular preparation and revision of a municipal plan without a special agreement with the Planning Agency, the agency shall make over to the local authority treasury one half of the planning levies collected in the municipality each year.
4. A municipality which does not receive one half of the planning levies collected in the municipality may make a special agreement with the Planning Agency, which may bear a share of the cost of the preparation and revision of a municipal plan amounting to up to one half. Where special circumstances apply, e.g. if there is a need for an unusually extensive planning work in a municipality with a small population, then an agreement may be made on a larger share of the cost to be borne by the Planning Agency.
5. The cost of local plans shall be paid by the local authority treasury.
6. The cost of preparation of topographic maps necessary for local and municipal plans shall be divided equally between the Planning Agency and the relevant municipality, except in the case of those municipalities which receive one half of planning levies repaid each year (*cf.* item 3 and Article 12 a).

Article 35

Planning levies.

In order to meet the costs incurred by the Planning Agency and the local authorities in connection with planning and building, the State Treasury shall collect a special levy on structures, which is referred to as a planning levy.

On new buildings which are assessed for fire-insurance purposes, a planning levy shall be paid once amounting to 0.3% of the fire-insurance value of each real-estate ownership unit. The term "new building" applies to any newly constructed building which is assessed for fire-insurance purposes, and also to extensions to older buildings if the assessed value of the new extension

amounts to at least 1/5 of the value of the older building. The planning levy on structures which are not assessed for fire-insurance purposes shall amount to 0.3% of their foundation cost. On structures which are not subject to a building permit under Article 43, a planning levy shall only be paid on the main distribution and transmission systems of electricity, district heating, water and telecommunications utilities outside urban areas.

Planning levies shall be due for payment when they have been assessed and the Valuation Office of Iceland has announced the result to the State Treasury's collection officer. They shall be accompanied by a statutory lien on the property, which shall take precedence over all other mortgage liens on the property. The levy may be collected by an enforcement proceeding.

In addition to the planning levy referred to in paragraphs 1-3, the State Treasury shall each year pay to the Planning Agency an amount equivalent to not less than one half of the planning levies for the previous year.

The minister shall issue regulations setting forth further provisions on the imposition, collection and disposition of these levies.

CHAPTER IV

Structures.

Article 36

Scope.

The provisions of this chapter shall cover all types of buildings, both above and below ground.

The following shall be exempt from building permit: streets, sewers, roads, bridges, other than foot bridges in urban areas, tunnels, airport runways, distribution and transmission systems of electrical, district heating, water and telecommunications utilities, and also harbours and power stations, providing that they are built under the auspices of public bodies or are constructed according to special statutes. However, building permits shall be required for the construction of permanent buildings raised in connection with these projects. Furthermore, building permits shall be required for telecommunications masts, switch yards and reception discs.

Structures which are exempt from the building permit requirements shall be built in accordance with the planning provisions of Chapter III of this Act. If the event of doubt as to whether a structure is subject to building permit requirements, a ruling shall be sought from the Planning and Building Tribunal (*cf.* Article 8).

Article 37

Building regulations.

In consultation with the Planning Agency and the Union of Local Authorities in Iceland, the minister shall issue building regulations applying to the whole country and containing further provisions on the implementation of the provisions of this chapter.

The building regulations shall specify the demands to be made regarding the design and building of structures concerning their appearance and conformity with their immediate surroundings, their economical and utility value, access to them by disabled people, safety, technical execution and maintenance. Requirements shall be stated regarding foundations, construction materials, load-bearing capacity, thermal insulation, vapour barrier and insulation against noise, ventilation, light, installations, hygiene, fire protection, etc. The building regulations shall furthermore contain provisions on the minimum requirements concerning individual parts of buildings and their various types, working environment and health and safety at the workplace, vegetation and the way in which plots are to be finished off. They shall also contain provisions on the siting of containers, camper-trailers, boats, sales kiosks, etc.

The building regulations shall also contain provisions on design documents and the legal authorization of designers, the recognition, rights and obligations of construction site managers and master craftsmen, how building inspection is to be carried out, responsibilities of building officers and fees for building permits, measurements, inspection and certificates provided by building officers and how these fees are to be collected. The building regulations shall contain provisions on how final inspection is to be carried out.

Words and concepts used in the building regulations which require explanation, e.g. referring to the size and construction stages of structures, shall be defined there. The building regulations shall refer to other regulations which affect their implementation and to the valid technical standards and other matters regarding structures. Reference shall also be made to provisions and obligations which accompany Iceland's membership of international agreements.

A local authority may set local bye-laws containing additional rules over and above those of the building regulations. They shall, *i.a.*, set forth specific requirements made of buildings in connection with flood, avalanche and earthquake hazards, the conservation of older settled areas and vegetation, fences around plots, the instalment of advertising signs and other matters which depend on local circumstances or points of view. They may also contain provisions concerning the local control of construction matters in the municipality. Where municipalities have formed a regional building committee, they may set bye-laws jointly under this paragraph.

Local building bye-laws shall be sent for the approval of the ministry, and shall be published in Section B of the Law and Ministerial Gazette.

Article 38

The role of the building committees.

Building committees, or, where appropriate, planning and building committees, shall be in charge of building activities under the supervision of the local authorities.

Each building committee shall handle applications for building permits and shall present its conclusion to the local authority. The committee shall monitor to ensure that in all parts of the

area of which it is in charge, building is carried out in accordance with the valid plan and the provisions of the laws and regulations concerning planning and building.

Building committees shall seek the comments and advice of specially-qualified persons, e.g. regarding access by disabled persons, fire protection, hygiene and safety.

Article 39

The work of the building committees.

Each building committee shall hold regular meetings, at least once a month, providing that applications are awaiting its attention. The committee shall keep a record book in which applications are recorded as having been received, and also how they are concluded. Procedure shall be in accordance with the Local Government Act.

The committee shall be obliged to give reasons for the way in which it treats applications it. The committee's decisions shall be submitted to the local authority for processing.

With the approval of the local authority, a building committee may grant a building officer the authority to issue building and development permits for specific minor projects, providing it is unequivocal that the projects are in accordance with the adopted local plan and that the design documents are satisfactory. Applications which the building officer deals with in this way shall be referred to the next meeting of the committee for formal processing.

If any person considers his rights have been infringed by a resolution of the committee or the local authority, he may, within a month of the time he becomes aware of the processing of the matter by the local authority, refer the matter to the Planning and Building Tribunal in accordance with Article 8.

Article 40

Building officers.

A building officer is the executive officer of a building committee. He shall ensure that general drawings conform to the valid plans, laws and regulations.

The building officer shall determine, in conformity with the building regulations, what design documents shall be submitted with applications for building permits. He shall ensure that they conform to the rules applying to the relevant project, and shall sign drawings to show that they have been approved. He shall issue building permits after receiving the approval of the local authority, and shall be in charge of ensuring that all the execution of buildings and other construction works is in accordance with approved drawings. He shall carry out inspections and monitor the execution of the construction works as necessary, and also the final inspection of fully-constructed structures, and shall issue certificates to the effect that this has been done, as is provided for in further detail in the building regulations.

The building officer shall ensure that all the materials on which the building committee's decisions are based are kept safely. He shall also see to the registration of property and carry out other tasks entrusted to him by the local authority in accordance with the laws and regulations.

Article 41

Inspection of buildings.

Members of building committees, building officers and their employees shall have unhindered access to plots and structures in order to carry out inspection of construction work.

Drawings, approved and signed by the building officer, shall at all times be on hand at the building site and shall be available to the inspectors.

If there is a reasonable suspicion that a completed structure is substantially deficient with respect to the building laws and regulations, the building officer and his employees shall be permitted access for inspection purposes. However, it shall not be permitted to enter a residential building without the consent of the owner or other authorised user of the premises, except by order of a judge.

If the condition, execution, use, surroundings or maintenance of a building or other construction works is deficient, or if, in the opinion of the building officer, it constitutes a hazard, or it has not been carried out in accordance with the approved drawings and building description, then the building officer shall inform the owner or authorized user of this and require him to rectify those matters which are deficient.

Article 42

Requirements regarding design and choice of materials.

In cases of complicated design, a building officer may demand comments by legally authorized approval designers at the builder's expense.

Before they may be used for construction, construction materials and pre-fabricated construction units and buildings shall have received certification by an accredited construction testing laboratory stating that they meet the requirements of the building and fire-protection regulations, that they conform to standards and that they are suitable for the working methods used and suit local conditions in Iceland.

A building officer may demand that a manufacturer or importer produce a certificate or a test report from an accredited construction testing laboratory specializing in the relevant field stating that construction materials which are on sale meet the requirements of standards and the building regulations.

In the case of major construction works, a building officer may demand the use of special inspectors at the builder's expense. He may also demand that independent legally authorized designers or specialists with the appropriate knowledge be entrusted with the inspection of construction work when it involves the use of unusual or new construction techniques.

A building officer may, at the builder's expense, demand load tests to be carried out on a structure in order to prove its load-bearing capacity and a test of the workings of its installations be made after it has been constructed. If the structure does not pass the tests, the building officer shall give the builder a particular timelimit by which to make the necessary improvements. Alternatively, he may have the deficiencies rectified at the builder's expense.

A building officer may, after receiving the approval of the local authority, entrust an approval designer or an accredited inspection body with the examination and approval of special drawings. A special fee, equivalent to the cost of the examination, shall be paid for the examination of special drawings. Provisions shall be made in the building regulations on working rules and the collection of fees in this connection.

Article 43

Building permits.

The excavation for foundations, the construction, demolition or alteration of buildings, the alteration of their structural systems, form, appearance or use, or the construction of any other structure covered by Chapter IV of this Act, shall only be permitted after the permission of the relevant local authority has been obtained.

Construction work under paragraph 1 shall be in conformity with the approved municipal plan and the adopted local plan.

A building permit incorporates the approval of general drawings and intended construction, or of an alteration in the use of a building.

A party seeking permission under paragraph 1 shall send a written application to that effect to the relevant building committee together with the necessary design documents and credentials, including the consent of the co-owners in the case of joint ownership. Further provisions shall be made in the building regulations regarding what other documents shall accompany applications for permission and the submission of applications and drawings.

In its handling of the demolition or alteration of old buildings and other structures, the building committee shall observe the provisions of Chapter V of the National Heritage Act.

The local authority may postpone the processing of an application for permission for demolition or alteration of a building for up to two years from the date of receipt of the application. Such a postponement shall be allowed if the local plan has not been approved, or if it is undergoing modification or if local conservation provisions are to be incorporated in the local plan. The applicant shall be informed of the postponement of the processing of the matter. Owners of property which sustains damage as a result of the postponement of the conclusion on a building permit by the local authority under this paragraph shall have the right to compensation.

When an application is submitted for permission under paragraph 1 in an existing settlement and no local plan exists, or the application involves only an insubstantial modification of the local plan (*cf.* paragraph 2 of Article 26), then the planning committee shall discuss the matter and publicize it in a neighbourhood consultation before it is concluded by the building committee. In

a neighbourhood consultation the matter is made known to neighbours who have interests to defend, and they are given an opportunity to submit comments within a certain period, which shall be at least four weeks. At the end of that period, and when the conclusion of the planning committee is available, the building committee shall make its conclusion on the matter. Those who submitted comments on the matter shall be informed of the conclusions of the planning committee and the building committee.

Article 44

Issue of a building permit.

Building permits may be issued when the following conditions have been met:

1. The local authority has confirmed the decision by the building committee to grant a building permit and the building officer has signed the general drawings.
2. The building permit fee and other requisite levies, such as the road-building levy, parking-space levy and connection fee, as appropriate, have been paid in accordance with the valid rules, or agreement has been reached on their payment.

In special circumstances, permission may be granted for individual parts of construction work, in which case the permits in any given case shall be restricted to approved design documents. The building officer may authorize the owner of a plot to investigate the soil on his building site without a building permit having been issued.

Before construction work begins, the construction site manager shall sign a declaration stating his liability and inform the building officer of the names of the master craftsmen involved.

When a building permit has been issued for a new building in an area where a plan has been adopted or approved within an urban area, the local authority shall be obliged to ensure that streets, electricity, water and sewers are in existence, as need demands, unless the local authority has stated special provisos regarding these services.

Confirmation by the local authority shall become invalid if a building permit has not been issued within 12 months.

Article 45

Period of validity of building permits.

A building permit shall expire if construction work is not begun within 12 months of its issue. The regulations shall make further provisions stating when construction work is considered as having begun.

If construction work is interrupted for one year or more, the building committee may invalidate the building permit.

If construction work is interrupted for at least two years, the local authority may, at the recommendation of the building committee and with six months' notice, impose daily penalties on the holder of the building permit (*cf.* Article 57), or may take compulsory possession of incomplete construction works under the Compulsory Possession Act.

Local authorities may set more detailed rules in their construction requirements regarding the speed of construction work.

Article 46

Design documents.

The design documents for buildings and other structures covered by this Act consist of drawings and accompanying documents. Drawings are divided into general drawings, special drawings and detail drawings. The accompanying documents include, i.a., the design criteria and calculations.

General drawings shall show the form, appearance, size and location of the structure, its construction materials, construction methods, internal layout and use, fire-protection measures, lay-out of the plot and how the structure fits in with its immediate surroundings and the approved local plan.

Special drawings consist of:

1. Construction drawings which show the structure as a whole in greater detail.
2. Drawings showing the lay-out of the plot, vegetation and fences.
3. Structural design drawings which show the structure's structural system.
4. Diagrams of the installations, such as the electrical installations, the heating installations, tap water installations, ventilation systems and fire-extinguishing systems, showing their nature, arrangement and detailing. Special drawings shall show the demands made by the rules and standards on safety, access and hygiene regarding design.
5. Detail drawings, which show details of items shown on other drawings and their design in detail.

The building regulations shall make further provisions on requirements regarding design documents, e.g. for different types of construction works.

Article 47

Designers' endorsements

General drawings and special drawings shall be made by designers who have received legal authorization (*cf.* Articles 48 and 49). Designers shall sign their drawings, so guaranteeing that

the design is in accordance with professional practice and is in conformity with the building laws and regulations.

The person who signs a general drawing is the co-ordinating designer. A co-ordinating designer shall be responsible to the building authorities for ensuring that special drawings submitted for approval conform with one another and are in conformity with the general drawings.

Designers who present drawings to a building committee shall have sufficient professional indemnity insurance.

Article 48

Authorization of designers.

Those who have received legal authorization from the minister shall have the right to submit drawings for building permits.

Architects, building designers, technical engineers, engineers, electrical technical engineers, interior designers or landscape architects who apply for legal authorization under this Act shall have received the authorization of the Minister for Industry to use their professional designation under the Act respecting the Authorization of Several Professional Titles of Specialists in Technical and Design Faculties No. 8/1996.

Architects and building designers who apply for authorization shall pass an examination administered by a three-person examination committee of consisting of specially qualified persons. The Minister for the Environment shall appoint the committee for terms of four years at a time. The examination shall include the main subjects in which designers must have proficiency when working under local conditions in Iceland. The examination committee shall organize preparatory courses leading to the examinations, which applicants shall be obliged to attend. The minister shall determine the fee to be paid by applicants for taking the examination. The amount of the fee shall be based on the cost of the courses and other costs of holding the examination. The minister shall set further rules in the form of regulations on the holding of courses and examinations, and on the minimum requirements for passing the examination.

In addition to passing the examination under paragraph 3, building designers shall have completed 20 months of working experience.

Applicants other than architects and building designers shall have specialized in the relevant field in which legal authorization is granted and shall have acquired experience of working with legally authorized persons in that field. Their working experience shall have lasted not less than three years, including at least one year in Iceland. Certificates of working experience shall list the projects on which the applicant has worked during his working experience. At the end of the required period of working experience, applicants shall attend the course and take the examination provided for in paragraph 3. The minister shall seek the comments of the relevant association of professionals before granting legal authorization.

Each year, the minister shall send a list of legally authorized designers to the Planning Agency and the building officers.

Article 49

Legal authorization in specialized fields.

Architects and building designers may be granted authorization by the minister to execute general drawings and construction drawings, drawings of the lay-out of plots and the appropriate detail drawings.

Engineers and technical engineers with the appropriate specialisation may receive authorization from the minister to design and make the special drawings for structural design, communication conduits, electrical supply systems and electrical wiring in structures, water, heating and sewage systems, ventilation systems and lighting systems.

Civil engineers and civil technical engineers may be granted authorization by the minister to execute general drawings and construction drawings and the appropriate detail drawings providing they have acquired at least five years' experience of working with legally authorized persons in that field.

Interior designers and landscape architects may receive authorization from the Minister as designers of special drawings, each in their own fields.

Electrical technicians may receive authorization from the minister as designers of special drawings in their own fields. The minister shall set limits in regulations regarding the size of electrical supply systems.

Article 50

Legal authorization of approval designers.

Engineers with a specialisation degree and legal authorization in the appropriate design field may receive special authorization from the minister as approval designers (*cf.* paragraph 6 of Article 42) providing they have at least six years' working experience in this field, including at least one year working at inspection of construction work.

The minister shall set further rules on the qualifications required of approval designers, their work and working methods. Applicants may be required to take an examination.

Article 51

Construction site management.

A construction site manager shall be in charge of construction work on all types of structures.

The following may become construction site managers:

1. Master carpenters, master masons, master plumbers, master machinists, master electricians and building technicians who have received recognition under Article 52 and also the required licences.

2. Architects, engineers, technical engineers and building technicians with three years' experience of project and construction management or work in construction inspection.

The construction site manager is the manager of the construction work. He shall engage a master craftsman at the beginning of the work, with the consent of the owners, or shall approve their engagement. The same shall apply to the dismissal of a master craftsman. The building manager shall be responsible for ensuring that building is executed in accordance with approved drawings and the laws and regulations. He shall have a satisfactory professional indemnity insurance which shall be valid for at least five years from the date of completion of the work of which he is in charge. In other respects, construction site managers' mandates, the scope of their work and their responsibilities towards the owners of construction works shall be determined by agreements between them. The building regulations shall make further provisions for such agreements. A construction site manager shall confirm his liability to the building officer before construction work begins.

The construction site manager shall inform the building officer of the completion of parts of the construction work for which inspection is required. At the end of the work, the construction site manager shall confirm that the structure has been built in accordance with the approved drawings and the laws and regulations.

If the construction site manager leaves his position before the work is completed, the building officer shall be informed of this. Construction work shall then be stopped until a new construction site manager is engaged. Those parts of the work which are completed shall then be inspected, and the inspection report shall be signed by both the construction site manager who is leaving the project and the new one who is taking over from him, where this is possible, and also the building officer.

The responsibility of a new construction site manager to the building committee shall be limited to those parts of the construction work on which work is carried out after he begins work.

Article 52

Master craftsmen.

Each master craftsman shall be responsible towards the construction site manager and the owner of the construction works for ensuring that those parts of the work which he undertakes to supervise are carried out in accordance with recognized working procedures, approved drawings and laws and regulations. Before beginning work, a master craftsman shall submit confirmation of his liability to the building officer.

Only master craftsmen who have received permits from the minister for this purpose may bear liability for individual parts of the construction works. Master craftsmen who hold valid masters' certificates and have completed an examination from a masters' school may receive such authorization providing they work as master craftsmen in their trade. Before permits are granted, the comments of the Federation of Icelandic Industries shall be sought. Further provisions concerning the education, working experience, rights and obligations of master craftsmen shall be set forth in regulations.

If a master craftsman leaves his position before the project is completed, the construction site manager shall have a new master craftsman take over his work without delay, and shall inform the building officer of this.

Work on those parts of the project for which the master craftsman who is leaving the project was responsible, and which he was in charge of, shall be stopped until a new master craftsman has signed a declaration of liability. Those parts of the work which were under the supervision of the master craftsman who is leaving the project shall be inspected, and the inspection report shall be signed both by him and by the new master craftsman where this is possible. The new master craftsman shall be responsible for those parts of the work which are carried out after he begins work.

Each year, the Minister shall send a list of legally authorized master craftsmen to the building officers.

CHAPTER V.

Fees for permits.

Article 53

Fees for development and building permits.

The local authorities can collect fees for permits for development projects which have an effect on the environment and change its appearance (*cf.* Article 27) and for permits to build, enlarge or alter buildings. They can also collect fees for site measurements, monitoring, inspection and certification provided by the building officers. These fees may not amount to more than the cost of issuing the permits, site measurements, monitoring inspection and certification provided by the building officer.

Article 54

Parking-space fees.

If it is not possible to fit the required number of car-parking spaces on the plot of a new building, the local authority may decide to levy parking-space fee on the plot. The fee may amount to the estimated cost of constructing the parking spaces which remain to be provided. The local authority may issue a special scale of charges for parking-space fees in the municipality, which shall be approved by the minister.

Parking-space fees shall go to a special fund which shall be spent on the development of public parking spaces in the vicinity of the relevant plot.

Article 55

Payment of fees.

The local authority shall decide the date of payment of fees for development permits, building permits and parking-space fees and how they are to be collected. Building permits may not be issued until these fees have been paid according to the rules, or until agreement has been reached on their payment.

Arrears on the payment of fees under paragraph 1 give the building officer the authority to refuse to issue certificates concerning the relevant structure.

Fees under Articles 53 and 54 shall be accompanied by statutory liens on the relevant property or plot, and accrued fees may be collected by distraint.

CHAPTER VI

Enforcement measures and penalties.

Article 56

Construction work which violates plans or is carried out without permission.

If a development project covered by Article 27 or by Chapter IV of this Act is begun without permission having been obtained, or if it is carried out in a manner different from that for which permission was granted, or if a building is put to a use other than that which the local authority has authorized, the planning/building officer may stop such actions immediately. If the project requires a development permit the planning officer shall seek the confirmation of the local authority. If the project requires a building permit the building officer shall seek the confirmation of the building committee as soon as possible.

If construction work covered by Chapter IV of this Act is begun without permission having been obtained, and it violates a plan, or if construction work is begun with a building permit which violates a plan, the building officer shall stop the work immediately, following which the illegal building, or part of a building, shall be removed and the site shall be restored, or activity shall be discontinued.

If a structure covered by Chapter IV of this Act is built without the approval of the local authority and the authority neglects to remove it within six months of the time that it became aware of the matter, the Planning Agency shall have the structure removed at the local authority's expense.

The development plan for an area in which construction work has been carried out in violation of the plan may not be amended before the illegal building, or part of a building, has been removed, broken ground smoothed over or activity discontinued.

The building committee may at all times order the removal of an illegal building, or part of a building, the smoothing over of broken ground or the cessation of activity

If the need arises, the police shall be obliged to assist a building officer or building committee in carrying out the measures referred to in paragraphs 1-6.

If, during the final inspection of a structure, fire-protection measures prove to be unsatisfactory, the building officer and, as appropriate, the health officer, acting in the interests of public safety and health, shall prevent the building from being used until the situation has been rectified.

The local authority treasury, or, as appropriate, the State Treasury, shall have the right of recourse against the builder for the entire cost it has borne as a result of the illegal building activity, and shall have a statutory lien for its claim on all the materials that have been used in the course of the building activity.

Article 57

Measures for rectification.

If a party does not comply with the orders of a building officer or building committee before the timelimit set by the local authority, the authority may impose daily penalties until the situation is rectified. The maximum amount of daily penalties shall be determined in the building regulations. daily penalties shall go to the local authority treasury.

A building committee may have work, which it has ordered to be done, carried out at the expense of the party who has neglected to do it.

Daily penalties and expenses under paragraphs 1 and 2 may be collected by distraint.

Article 58

Remedies concerning violations committed by designers.

If a designer who has received legal authorization under Article 48 or Article 49 submits design documents which are in violation of the provisions of this Act, or of regulations issued under this Act or a development plan, the building committee may reprimand him. In the event of a serious or repeated violation, the committee may request the minister to withdraw the legal authorization of the designer concerned.

The minister may reprimand a designer, and in the case of repeated violations may withdraw his legal authorization either for a specific period or permanently. Before making a decision on the withdrawal of legal authorization, the minister shall seek the comments of the Planning Agency and the relevant professional association, and shall give the designer the opportunity to express his view on the matter.

Article 59

Remedies in the event of violations committed by construction site managers and master craftsmen.

If a construction site manager or master craftsman who is responsible for construction work violates the provisions of laws, regulations or bye-laws on planning and building, the building committee may reprimand him. In the event of a serious or repeated violation, the committee may request the minister to withdraw his recognition.

The minister may reprimand a master craftsman, and in the case of repeated violations may withdraw his recognition, either for a specific period or permanently. Before making a decision on the withdrawal of recognition, the minister shall seek the comments of the building committee of the relevant municipality and the Federation of Icelandic Industries and give the master craftsman the opportunity to express an opinion on the matter.

Article 60

Criminal liability.

Violations of this Act and regulations issued hereunder shall be punishable by fines or custody except where more severe punishment is provided for in other statutes.

Cases under this Article shall be treated as criminal cases (*cf.* the Act No. 19/1991).

CHAPTER VII

Authority over planning and building

in agreed areas. Commencement.

Article 61

Authority over planning and building in agreed areas.

The Minister for Foreign Affairs shall be in charge of planning and building matters in the advertised agreed areas in accordance with the provisions of the Act No. 106/1954 (*cf.* also the Act No. 110/1951).

The provisions of the Planning and Building Act and of regulations issued under the Act shall apply to all planning and building in the agreed areas, as appropriate, including the collection of fees. The Minister for Foreign Affairs shall appoint a Planning and Building Committee, which

shall administer these matters, and he may entrust the committee with other related matters in the agreed areas.

In carrying out its work, the committee shall collaborate closely with the Planning Agency and the local authorities which may be involved, such as those in the Suðurnes region. The Minister for Foreign Affairs shall issue regulations containing further provisions on the application of this Article after consulting the Minister for the Environment.

Article 62

Commencement.

This Act shall take effect on January 1st 1998. On the same date, the Planning Act, No. 19/1964, with subsequent amendments, and the Building Act, No. 54/1978, with subsequent amendments, shall stand repealed. The words "according to the valid plan" shall replace the words: "in planned areas" in Article 25 of the Nature Conservation Act, No. 93/1996.

Interim Provisions.

1. The Planning Regulations in accordance with Article 10 and the Building Regulations in accordance with Article 37 shall be applied as soon as possible, at the latest on July 1st 1998. Until then shall the current planning and building regulations apply to the extent that they do not contradict this Act.
2. All local authorities shall have completed municipal plans not later than ten years after the commencement of this Act. The minister may, after receiving the comments of the Planning Agency, grant exemptions from this provision where the circumstances do not demand the preparation of a municipal plan. The minister may also, on the recommendation of the Planning Agency, set a local authority a period shorter than ten years if circumstances demand the more rapid preparation of a municipal plan.
3. In the absence of a municipal plan or an approved local plan, a local authority may, on the receipt of the recommendations of the Planning Agency, permit individual projects for which applications may be submitted, and such permission may be made subject to certain conditions. The decision of the Planning Agency concerning such applications may be referred to the Planning and Building Tribunal (*cf.* Article 8).
4. If substantial construction work is intended, without an approved municipal plan being in existence, the Planning Agency may give the local authority a timelimit by which to submit a municipal plan proposal. If the local authority fails to prepare a municipal plan proposal before the timelimit, the agency shall recommend to the minister that the construction work and other development in the municipality be stopped until a municipal plan has been prepared.

5. The provisions of this Act shall affect neither the pre-existing rights of designers to submit drawings to a building committee nor the recognition by the building authorities of master craftsmen and construction site managers who are recognized as competent to be in charge of construction work in their respective fields at the time of commencement of this Act.

6. Building officers who are working at the time of commencement of this Act shall retain their full rights to work notwithstanding the provisions of Article 7.

7. If at the time of commencement of this Act the parties listed in Articles 48 and 49 have already completed part of the period of working experience necessary under the current Act to acquire legal authorization, they shall have the option of completing the period according to the older rules.

8. Joint committees on the preparation of regional plans, existing when this Act takes effect, shall continue but procedures shall be in accordance with this Act.

9. For the first time, the joint committee for the central highlands shall be appointed, according to paragraph 2 of Article 12 a, immediately after the commencement of this Act and serve until the next general municipal election.

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Planning and Building Act

No. 73/1997, no. 135/1997 and no. 58/1999

CHAPTER I

General Provisions

Article 1, *Aims*

The aims of the Act are:

to ensure that the development of settlement and land use in the country as a whole will be in accordance with development plans which are based on the economic, social and cultural needs of the population, and also their health and safety;

to encourage the rational and efficient utilization of land and natural resources, to ensure the preservation of natural and cultural values and to prevent environmental damage and over-exploitation, based on the principles of sustainable development;

to ensure security under the law in the handling of planning and building issues so that the rights of individuals and legal persons will not be neglected even though the common interest is the guiding principle;

to ensure the professional preparation of development and active monitoring to ensure that the requirements regarding safety, durability, appearance and suitability of buildings and other structures are fulfilled.

Article 2, *Definitions*

Municipal plan: A development plan for a specific municipality expressing the local authority's policy regarding land use, transportation and service systems, environmental matters and the development of settlement in the municipality during a period of not less than 12 years.

Building permit: A permit issued by a local authority to build, alter or demolish buildings or other structures or to alter their use. The permit includes the approval of general drawings and development proposals and an authorization to begin work after certain conditions have been met (*cf.* Article 44).

Local plan: A development plan for specific areas within a municipality, based on the municipal plan and containing further provisions on its implementation. Local planning provisions apply equally to urban areas and to rural areas.

Development permit: A permit to execute development projects according to a development plan, which are not subject to the provisions of Chapter IV of this Act regarding structures.

Local conservation provisions: Provisions in a regional, municipal or local plan regarding the conservation of the characteristics of buildings or other remains of historical or cultural value.

Land use: The designation of land for use of various types, e.g. for residence, industry, commerce, recreation or agriculture.

Density: Density of land use or development often expressed by e.g. plot ratio, urban density or the number of grazing animals.

Plot ratio: The ratio of the gross floor area on a plot or piece of land and the area of the plot or piece of land.

Development plan: A plan setting out the objectives of the relevant authority and decisions regarding the future use of land and settlement arrangements, including an account of the premises for these decisions. Development plans fall into three categories: regional plans, municipal plans and local plans. Development plans are presented in a statement and on a land use map.

Planning restrictions: Restrictions which are imposed on individual plots within a development plan, regarding, e.g., the number of parking spaces, right of traffic access or the location of conduits.

Planning conditions: Provisions in a development plan concerning the detailed implementation of a plan regarding the composition of a settlement, location and height of buildings, etc.

Regional plan: A development plan covering more than one municipality. The role of a regional plan is to co-ordinate policies regarding land use, transportation and service systems, environmental matters and the development of settlement in the region during a period of not less than 12 years.

Urban area: A settlement with at least 50 inhabitants where the distance between houses does not generally exceed 200 m.

Urban density: Density within an urban area based on the gross land area, expressed, i.a., as the ratio between the total floor area in a specific area and the surface of that area or as other ratios, such as the number of inhabitants per hectare or the number of flats per hectare.

CHAPTER II

Planning and Building Authorities.

Article 3, *Control of planning and building*

The Minister for the Environment shall have supreme control of planning and building under this Act. The Planning Agency shall assist the minister (*cf.* Article 4).

Local authorities shall prepare regional, municipal and local plans. They shall examine applications for permission, grant building permits and development permits and carry out building inspection with the assistance of elected committees and specialized employees.

Article 4, *The Planning Agency*

The state shall operate the Planning Agency. The role of the agency shall be:

- a. to monitor the application of this Act and regulations issued hereunder;
- b. to give advice on planning and building;
- c. to monitor the planning situation in the municipalities;
- d. to assist the local authorities and guide them in preparing development plans;

- e. to issue statements on matters of dispute regarding planning and building;
- f. to ensure that data is available on land-use plans on the national level, and to ensure coherence between them;
- g. to carry out and encourage planning and building research in collaboration with the relevant institutions and interested parties, and also to carry out or encourage the publication of information on these matters;
- h. to monitor and provide information on access for the disabled;
- i. to implement law on environmental impact assessment.

Article 5, The Director of the Planning Agency

The director of the Planning Agency shall be in charge of the day-to-day operation of the Planning Agency. He shall hold a university qualification in the field of planning and building. The minister shall appoint the director for terms of five years at a time.

The director of the Planning Agency shall be responsible to the minister for the administration, operation and functional organization of the Planning Agency, and shall draw up operational budgets for it. The director shall engage other employees of the agency.

Article 6

Building and planning committees.

In each municipality there shall be a building committee, elected by the local authority. The local authority may decide that the committee shall also deal with planning matters in the municipality, in which case it shall be called the planning and building committee, but otherwise there shall also be a separate planning committee.

Building committees shall be in charge of building matters under the supervision of the local authorities.

Planning committees shall be in charge of planning matters under the supervision of the local authorities.

The local authority shall determine the number of committee members. The provisions of the Local Government Act shall also apply, as appropriate, to building committees and planning committees and their work.

Building officers and planning officers, as appropriate, shall attend meetings of the committees and have the right to address them and make proposals.

Local authorities may collaborate with neighbouring local authorities on the election of building and planning committees and the engagement of building and planning officers. In such cases,

the local authorities concerned shall draw up agreements, which shall be approved by the minister, on the establishment of the committees.

Article 7

Employees of the building and planning committees.

There shall be a building officer in each municipality or area administered by a building and planning committee. Building officers shall meet the conditions of Articles 48 and 49 of this Act, and the local authority shall send the Planning Agency a notification of his engagement. The building officer shall be the building committee's executive officer.

The local authority may also entrust planning matters to the building officer, who shall then be designated a planning and building officer; otherwise, a separate planning officer shall work in the municipality. The planning regulations shall specify the qualifications demanded of a planning officer as regards education and working experience. The planning officer shall be the planning committee's executive officer.

No employee of a planning or building committee may carry out any work which may come before the building committee in his administrative area under Chapter IV of this Act except with the special permission of the local authority.

Article 8

The Planning and Building Tribunal.

The Minister for the Environment shall appoint a Planning and Building Tribunal for terms of four years at a time.

The tribunal shall deliver rulings in cases of dispute in planning and building matters under this Act. The tribunal shall consist of three persons, one appointed without nomination and two nominated by the Supreme Court. One of the latter two shall be the chairman of the tribunal, and shall meet the requirements made concerning district court judges. Alternates shall be appointed in the same way. The minister shall issue regulations setting forth further provisions on the work of the tribunal, the matters with which it deals, its sphere of influence, working conditions, etc.

The tribunal may summon specialists to assist it in delivering rulings on individual cases. Rulings by the tribunal shall be final rulings at the executive level, and may not be referred to the Minister for the Environment.

The tribunal shall deliver rulings as quickly as possible, and not later than two months after it receives the case. If a case is of very large proportions and it can be foreseen that it will take a longer time to process, the tribunal shall inform the party involved and specify the period it will take, which however shall at no time exceed three months.

If in a case of dispute it is demanded that construction works be suspended, the tribunal shall immediately deliver a ruling on this point. The local authority shall be obliged to enforce a ruling on the suspension of work immediately, with police assistance if necessary.

In other respects, cases shall be handled in accordance with the Administrative Procedure Act, No. 37/1993.

The tribunal's expenses shall be borne by the Treasury.

CHAPTER III

Preparation and implementation of development plans.

Article 9

Planning requirements.

The entire country is subject to planning requirements. The construction of buildings and other structures, above and below ground level, and other construction works and measures which have an effect on the environment and change its appearance shall be in accordance with development plans (*cf.* Article 43 of this Act on the granting of building permits and Article 27 on the granting of development permits).

Development plans set out policy on land use and development of settlements. They state objectives regarding individual aspects of residential areas, employment areas, nature conservation, transportation, etc., in accordance with Article 1 of this Act.

Development plans shall contain, *i.a.*, descriptions of the natural environment and all local conditions in the planning area at the beginning of the planning period and the premises for the policy they contain.

When development plans are prepared, every effort shall be made to seek the viewpoints and proposals of the inhabitants and others who have interests to defend regarding the formulation of policy and the objectives of the development plan.

Development plans shall account for the impacts of the plan, its objectives and proposed development, on the environment, natural resources and the community, including, *i.a.*, with a comparison of the possible alternatives.

If there exist within the boundaries of the planning area individual buildings, structures, groups of buildings, natural features or vegetation which is considered desirable to conserve because of their historical, natural or cultural value, without statutory protection, then local conservation provisions shall be included in the relevant development plan.

There shall be internal cohesion between regional, municipal and local development plans.

Article 10

Planning regulations.

The Minister for the Environment shall, on receipt of the proposals of the Planning Agency and the comments of the Union of Local Authorities in Iceland, issue regulations covering the whole country concerning the preparation of development plans.

The planning regulations shall include further provisions on the preparation of development plans, concerning, e.g., the content of planning statements, the presentation of land use maps, planning restrictions and planning conditions, consultation, the presentation of proposals and the approval of development plans.

The planning regulations shall define land-use categories and local conservation provisions, and also other terms which occur in the regulations and require definition.

The planning regulations shall include provisions on safety considerations and restrictions to land use, e.g. in connection with natural hazards or pollution. Special provisions shall also be made on access and the needs of children, the handicapped and the elderly.

The planning regulations shall include provisions on the working procedures of the planning committees, planning officers and joint regional planning committees, and on the qualifications and working experience of planning officers and other persons who are entrusted with the preparation of development plans.

Article 11

Plans on land use at the national level.

The Planning Agency shall gather information and have access to and preserve plans produced by other public entities on land use which apply to the country as a whole, e.g. regarding transportation, telecommunications, power structures and nature conservation.

If inconsistencies or other conflicts of interest are revealed in land use as set forth in individual plans, the Minister for the Environment may, after consulting the Prime Minister and the Union of Local Authorities in Iceland, decide to appoint a special committee to make proposals on the co-ordination of the relevant plans. On receipt of the proposals of the committee, the Minister for the Environment may require the local authorities to incorporate the proposals in the development plans (*cf.* Articles 12 and 16).

Article 12

Regional plans.

Regional plans shall be prepared at the initiative of the relevant local authorities or the Planning Agency with the aim of co-ordinating the policy of local authorities on development of settlement and land use over a period of at least 12 years.

The municipalities covered by a regional plan shall normally form a single geographical, economic and social entity. A regional plan shall cover all the land of the municipalities involved, *cf.* Article 12 a.

In other respects, the provisions of Article 9 of this Act and the provisions of the planning regulations shall apply to the preparation of regional plans.

The appropriate local authorities shall, in consultation with the Planning Agency, establish a joint committee on the preparation of the regional plan, *cf.* Article 12 a and paragraph 6 of this Article. Each local authority shall nominate two representatives. The agency shall nominate a representative to work with the committee; who shall have the same rights as other members of the committee, with the exception of voting rights. On receipt of the joint committee's proposals, the minister shall set working rules for the committee which shall be published in Section B of the Law and Ministerial Gazette.

After each local government election, the local authorities involved shall assess whether there is a need to revise the regional plan. If it is decided to revise it, the procedure shall be the same as if a new regional plan were being prepared.

In regions where there is disagreement between the local authorities regarding land use, or where policy on land use has a substantial bearing on the interests of persons living outside the relevant region, the Minister for the Environment may decide to appoint a special committee to submit proposals for a regional plan. Such a regional plan may cover part of the land within the boundaries of the municipalities involved.

The Minister can, after consulting the Planning Agency, postpone the approval of a specific area within a regional plan if it is regarded necessary to coordinate the development plans of neighbouring municipalities. These areas shall be marked on a land use map.

Article 12a

Planning of the central highlands.

The boundary of the central highlands is according to the boundary that was decided in the making of the regional plan for the central highlands by a special joint committee which was appointed according to interim provisions in Article 1 in Act nr. 73/1993. The joint committee of the central highlands or the relevant municipalities can, after a consultation with one and other, make a proposal to the minister on changes of the boundary of the central highlands. The minister takes a stand on such proposals and decides whether changes to the boundary shall be made.

After each general municipal election the minister appoints a joint committee of the central highlands to serve for four years. The committee makes a regional plan proposal for the central highlands. The committee shall include 12 members, one appointed by each constituency, one by a union of outdoor recreation societies, one by the minister of social affairs and two without appointment; one of them shall be the chairman of the committee and have the casting vote; the other shall be from a constituency which is adjacent to the central highlands but from a municipality which is not adjacent to it. The representatives of the constituencies which are adjacent to the central highlands shall be appointed by the constituency's municipalities which own land adjacent to the central highlands. The Association of Local Authorities in the Westfjords appoints the representative for the Vestfirðir constituency, the city of Reykjavík appoints the representative for the Reykjavík constituency and the Association of Municipalities

in the Capital Area and the Federation of Suðurnes Municipalities appoint the representative for the Reykjanes constituency. The minister can appoint up to four representatives to the committee, who have a freedom of speech and a right to put proposals forward.

The joint committee of the central highlands prepares a regional plan for the central highlands and makes sure that the municipal plans of individual municipalities in the central highlands are in coordination and that the municipal plans and the regional plan for the central highlands are in coordination. The committee shall seek proposals from the relevant municipalities in the making of a regional plan proposal. When a new joint committee of the central highlands has been appointed it shall assess whether it is necessary to review the regional plan for the central highlands.

The cost of preparing a regional plan for the central highlands is payed by the state treasury.

The minister for the environment sets rules for the operation of the joint committee after consulting the committee and the Planning Agency.

Article 13

Presentation, advertisement, adoption and approval of regional plans.

Before a joint committee makes its conclusion on a regional plan proposal the proposal and its objectives and premises shall be presented at a public meeting or meetings or in another satisfactory manner, and the presentation shall be advertised in a conspicuous way.

When the joint committee has submitted a regional plan proposal, it shall be advertised in the Official Gazette, and in a conspicuous way in the relevant municipalities, and shall be kept on display there with supplementary materials for at least four weeks. In addition, the proposal shall be advertised outside the municipalities.

The advertisement shall give any interested party the chance to make objections to the proposal before a certain timelimit, which shall not be less than six weeks after the publication of the advertisement. The advertisement shall state where objections are to be sent, and that any person who does not make objections to the proposal as advertised by the specified timelimit shall be regarded as agreeing to it. When the timelimit has passed, the joint committee shall adopt a position on the objections and send the relevant local authorities its regional plan proposal, together with the objections and its comments on them, within six weeks. In addition, the proposal shall be made known to the local authorities of adjacent municipalities. The joint committee shall advertise its conclusion, and shall also send the parties who submitted objection the committee's comments on those objections. The local authorities shall adopt a position on the joint committee's proposal within six weeks, and shall be regarded as having adopted it if they do not state an opinion within that period.

A regional plan shall be regarded as being adopted when, and to the degree that, all the local authorities involved have adopted it. When a proposal has been adopted, the joint committee shall send it to the Planning Agency, which shall then submit proposals to the minister regarding the final approval of the regional plan.

The minister shall approve the regional plan, and it shall be published in Section B of the Law and Ministerial Gazette. If all the local authorities involved agree, then specific issues in the proposal may be approved.

Article 13a

*Presentation, advertisement, adoption and approval of the regional plan
for the central highlands.*

Before the joint committee of the central highlands makes its conclusion on a regional plan proposal for the central highlands the proposal, its objectives and premises shall be presented at a public meeting or meetings or in another satisfactory manner, and the presentation shall be advertised in a conspicuous way. The proposal shall also be presented to the relevant local authorities.

After a presentation according to paragraph 1 the joint committee of the central highlands shall submit the proposal to the Planning Agency. If the Planning Agency makes no comments within four weeks of its receipt of the proposal, the proposal shall be advertised without amendments.

The joint committee of the central highlands shall advertise a regional plan proposal for the central highlands or amendment to it in a conspicuous manner. The proposal shall at least be advertised in a newspaper which is published nationwide and in the Official Gazette. The advertisement shall state where the proposal is on display, and for how long, the period not being shorter than four weeks. The proposal shall be on display at the Planning Agency, in relevant municipalities and in all constituencies of the country. The advertisement shall state that any interested party has the chance to make objections to the proposal before a certain timelimit, which shall not be less than six weeks after the publication of the advertisement. The advertisement shall state where objections shall be sent, and that any person who does not make objections to the proposal as advertised by the specified timelimit shall be regarded as agreeing to it.

When the timelimit has passed, the joint committee for the central highlands shall discuss the proposal again. In this discussion the committee shall adopt a position on any objections that have been submitted and whether the proposal needs to be amended. The joint committee's conclusion shall be advertised. If the joint committee for the central highlands decides to make fundamental changes to the proposal, the amended proposal shall be advertised again.

When the joint committee for the central highlands has adopted the regional plan for the central highlands it shall send it to the Planning Agency, together with any objections submitted and its comments on them, within eight weeks of the timelimit for submitting objections according to paragraph 3 above. The parties who submitted objections shall also receive the committee's comments on their objections.

Within four weeks of its receipt of the regional plan proposal, the Planning Agency shall submit a proposal to the minister for the environment on the approval, rejection or postponement of approval of the plan, either in its entirety or in part.

The minister for the environment approves the regional plan for the central highlands and the approval shall be published in Section B of the Law and Ministerial Gazette.

Article 14

Amendment of a regional plan.

If a local authority which is a party to an approved regional plan considers that it needs to be amended, the procedure shall be in accordance with Articles 12 and 13.

If a local authority considers that an approved regional plan needs to be amended but that the amendments are so insubstantial that it does not consider there is reason to apply the procedure specified in paragraph 3 of Article 13, it shall then send a proposal, with reasons, to the Planning Agency. Before doing so, it shall make the amendment known to the other local authorities involved in the regional plan and advertise it in a conspicuous manner. The proposal shall be accompanied by a declaration from the local authority that it undertakes to compensate for damage which individual parties may suffer as a result of the amendment. The Planning Agency shall forward the proposal to the minister together with its comments. If the minister approves the amendment, it shall be published in Section B of the Law and Ministerial Gazette.

Article 14 a

Amendment of the regional plan for the central highlands

If the joint committee for the central highlands considers that the regional plan for the central highlands needs to be amended, the procedure shall be in accordance with Article 13 a. If a local authority of a municipality which is a part of the central highlands considers that the regional plan needs to be amended, it shall submit a reasoned proposal for the amendment to the joint committee for the central highlands.

Article 15

Special regional plans.

A procedure involving a special regional plan may be adopted regarding proposed structures such as national roads, power installation or telecommunication lines, or plans covering the building of such structures. The party responsible for the relevant plan or development project may apply to the Planning Agency to have the location of the structure, or the plan, treated as a special regional plan.

The Planning Agency shall advertise such a special regional plan proposal in the Official Gazette, and by means of conspicuous advertisements in the municipalities involved, and the proposal shall be kept on display there, together with supplementary materials, for at least four weeks. In addition, the proposal shall be advertised outside the municipalities.

Inhabitants and other interested parties in the relevant area shall be given six weeks from the date of publication of the advertisement to submit objections against the proposal in writing to the Planning Agency. After that time, the agency, in consultation with developer, shall adopt a

position on the objections and send the relevant local authorities its proposal for such a regional plan, together with the objections and its comments on them, within six weeks. The parties who submitted the objections shall also be sent the Planning Agency's comments on their objections. The local authorities shall adopt a position on the proposal within six weeks, and shall be regarded as having adopted it if they do not state an opinion within that period.

The Planning Agency shall then submit a proposal to the minister regarding the final approval of such a regional plan.

The minister shall approve the special regional plan, and it shall be published in Section B of the Law and Ministerial Gazette.

Article 16

Municipal plans.

Each local authority is responsible for having a municipal plan prepared for the municipality. The municipal plan shall cover all the land within the municipality's boundaries.

The municipal plan shall set out the local authority's policy regarding land use, transportation and service systems, environmental matters and the development of settlement during a period of at least 12 years. The preparation of the plan shall take account of the aims of this Act and forecasts on the development and needs of the municipality during the period covered.

When a municipal plan is prepared, the aim shall be to achieve conformity with the plans of adjacent municipalities.

In other respects, the provisions of Article 9 of this Act and the provisions of the planning regulations shall apply to the preparations of municipal plans.

After each general municipal election the local government decides whether the municipal plan should be reviewed. The review procedure is the same as if a new municipal plan were being prepared.

Article 17

Presentation of a municipal plan proposal.

Before a local authority makes its conclusion on a municipal plan proposal, or proposal for substantial amendments to a plan, the proposal and its objectives and premises shall be presented to the inhabitants of the municipality at a public meeting or in another satisfactory manner. The presentation shall be advertised in a conspicuous way.

In addition, the proposal shall be made known to the local authorities of the adjacent municipalities. If the municipal plan proposal covers part of the central highlands it shall also be advertised in the Official Gazette and be on display at the Planning Agency.

After a public presentation, the proposal shall be presented to the local authority for discussion. Following discussion, the local authority shall submit the proposal to the Planning Agency for examination. If the Planning Agency makes no comments within four weeks of its receipt of the proposal, the proposal shall be advertised without amendment according to Article 18. The Planning Agency shall seek the comments of the joint committee for the central highlands on municipal plan proposals of municipalities within the central (*cf.* paragraph 3 of Article 12 a).

If the Planning Agency considers that the proposal does not meet the requirements set forth regarding municipal plans, it shall seek to reach an agreement with the local authority regarding amendments. If no agreement is reached, the local authority is nevertheless authorised to advertise the proposal, but shall also show the Planning Agency's comments on the proposal.

Article 18

Advertisement and adoption of a municipal plan proposal

The local authority shall advertise a municipal plan proposal or amendment to a municipal plan in a conspicuous manner. The proposal shall also be advertised in the Official Gazette and be on display at the Planning Agency.

The advertisement shall state where the proposal is on display, and for how long, the period being not shorter than four weeks. The advertisement shall give any interested party the chance to make objections to the proposal before a certain timelimit, which shall not be less than six weeks after the publication of the advertisement. The advertisement shall state where objections are to be sent, and that any person who does not make objections to the proposal as advertised by the specified timelimit shall be regarded as agreeing to it.

When the timelimit has passed, the local authority shall discuss the proposal again after the planning committee has discussed it. In this discussion, the local authority shall adopt a position on any objections that have been submitted and whether the proposal needs to be amended. The local authority's conclusion shall be advertised.

If in its second discussion of the municipal plan proposal, the local authority decides to make fundamental changes to it, the amended proposal shall be advertised again in accordance with paragraphs 1 and 2 of this Article.

When the local authority has adopted the municipal plan, it shall send it to the Planning Agency, together with any objections submitted and its comments on them, within eight weeks of the timelimit for submitting objections according to paragraph 2 above. The parties who submitted objections shall also be sent the local authority's comments on their objections.

Article 19

Approval, publication and commencement of a municipal plan.

A municipal plan, or an amendment to such a plan, shall be subject to approval by the minister, and shall enter into force when his approval has been published in Section B of the Law and Ministerial Gazette.

Within four weeks of its receipt of a municipal plan proposal, the Planning Agency shall submit a proposal to the minister on the approval, rejection or postponement of approval of the plan, either in its entirety or in part.

The Planning Agency's proposal on the approval, rejection or postponement of approval of a plan, either in its entirety or in part, shall be supported by a statement stating whether there are procedural flaws in the handling of the matter by the local authority or substantive flaws in the preparation of the plan. Before making a decision, the minister shall seek the comments of the local authority.

Article 20

Postponement of the preparation or approval of a municipal plan.

After receiving the comments of the Planning Agency, and with the approval of the minister, a local authority may postpone for a specified number of years, though not for more than four years at a time, the preparation of a municipal plan for a specific area if uncertainty prevails on particular points which might have a substantial effect on the implementation of the plan.

The minister may, after receiving the comments of the Planning Agency, postpone the approval of a municipal plan for a specific area, though not for more than four years at a time, if it is considered necessary to co-ordinate more closely the municipal plans of adjacent municipalities. Such areas shall be marked on a land use map.

Article 21

Amendment of a municipal plan.

If a local authority considers it necessary to amend an approved municipal plan, the procedure shall be in accordance with Articles 17 and 18.

If a local authority considers that an approved municipal plan needs to be amended but that the amendments are so insubstantial that it does not consider a reason to apply the procedure specified in Articles 17 and 18, it shall send a proposal on the amendments, with reasons, to the Planning Agency. The proposal shall be accompanied by a declaration from the local authority that it undertakes to compensate for damage which individual parties may suffer as a result of the amendment. The Planning Agency shall forward the proposal to the minister together with its comments within a week of receiving the proposal from the local authority. If the minister approves the proposal, it shall be advertised in a conspicuous manner. If no objections are received within three weeks of the advertisement, the proposal shall be regarded as adopted. If objections are received to the proposal after it has been advertised, the local authority shall hold one discussion on the objections. The local authority's conclusion shall be sent to the minister for approval and published in Section B of the Law and Ministerial Gazette.

Article 22

Disputes concerning municipal plans on boundaries between municipalities.

If local authorities in adjacent municipalities are not able to resolve disputes on points which are to be co-ordinated in their municipal plans, then at the initiative of the Planning Agency, a special committee shall be entrusted with submitting a proposal which shall apply jointly to the municipalities concerning the matters in dispute.

Each of the local authorities involved shall appoint two persons to the committee, and the Planning Agency shall appoint one, who shall be its chairman. The Planning Agency shall assist the committee as necessary.

If the committee comes to a joint conclusion, the local authorities involved shall each advertise the committee's proposal as a municipal plan proposal in accordance with Articles 17 and 18.

Article 23

Local plans.

Local plans shall be made on the basis of the municipal plan for individual areas in which development is proposed.

In existing settlements where no local plan exists, the local authority may grant building permits following a neighbourhood consultation (*cf.* paragraph 7 of Article 43).

Local plans are presented in a statement and on a land use map. The statement shall describe the premises for the local plan and explain individual features of it, as well as planning and construction requirements which further specify planning restrictions and other matters which must be observed under the plan. Local plans shall embody in further detail the provisions of municipal plans for the relevant area.

When a local plan is prepared in an existing settlement, a survey of the historical value of buildings and towns shall be carried out at the same time, and this shall be referred to in the preparation of the proposal.

In other respects, the provisions of Article 9 of this Act and the provisions of the planning regulations shall apply to the preparation of local plans.

Article 24

Local plans covering privately-owned land.

When privately-owned land is made into housing plots through a local plan at the request of the landowner, the owner shall at the commencement of development make over to the local authority, without recompense, those parts of the land which under the plan are intended for common needs, e.g. for roads, playgrounds and open areas. However, the landowner shall not be obliged to make over in this way more than the equivalent of one third of the area of the plots which will become usable as building plots. If a change is made in the land use, the land shall revert to the party who made it over without recompense, and the landowner and the local authority shall enter into an agreement on the condition in which the land is to be returned.

The provisions of this article shall not apply to holiday cottage areas in which the local authority does not undertake road-building or other joint development projects or operations.

Article 25

Advertisement, adoption and commencement of a local plan.

When the local authority has agreed to advertise a local plan proposal, it shall be advertised and publicised in the same way as is provided for in the case of the advertisement of a municipal plan proposal in paragraphs 1 and 2 of Article 18. The proposals shall be made known to the local authorities of adjacent municipalities.

When the timelimit for submitting objections has passed, the local authority shall discuss the proposal again after the planning committee has discussed it. In this discussion, the local authority shall adopt a position on any objections that have been submitted and whether the proposal needs to be amended. If no objections are submitted, it shall not be necessary to make it the subject of another discussion by the local authority; instead, it shall be sent to the Planning Agency in accordance with paragraph 3. The local authority's conclusion shall be advertised.

If the local authority decides to make fundamental changes to a proposal that has been advertised, the amended proposal shall be advertised again in accordance with paragraph 1.

When the local authority has adopted the local plan, it shall send it to the Planning Agency, together with any objections submitted and the local authority's comments on them. In addition, the local authority shall send the parties who submitted objections its comments on their objections. If the Planning Agency considers that there are procedural or substantive flaws in a local plan submitted to it, it shall express its comments to the local authority.

An advertisement of the adoption of the local plan shall be published in Section B of the Law and Ministerial Gazette.

Article 26

Amendment of a local plan.

If a local authority decides to amend a local plan, it shall treat the amendment as if it were a new local plan.

However, it shall be permitted not to advertise the plan proposal if the amendment is insubstantial. The matter shall then be made the subject of thorough neighbourhood consultation, and those who regard themselves as having interests to defend shall be given the opportunity of expressing their views on the amendments (*cf.* paragraph 7 of Article 43). One discussion of such a proposal by the local authority shall be sufficient. The local authority shall submit the amended plan to the Planning Agency (*cf.* paragraph 3 of Article 25), together with a declaration that it undertakes to compensate for damage which individual parties may suffer as a result of the amendment.

An advertisement of the adoption of the local plan shall be published in Section B of the Law and Ministerial Gazette.

Article 27

Development permits.

Substantial development projects which have an effect on the environment and change its appearance, alteration of land by changing its soil or the removal of material, shall be in accordance with development plans and decisions on environmental impact assessments, where appropriate. It shall not be permitted to begin such projects which are not subject to a building permit under Chapter IV until a development permit has been obtained from the relevant local authority.

In the event of doubt as to whether a development project is subject to the provisions on development permits, the Planning and Building Tribunal shall deliver a ruling.

A development permit shall expire if work has not begun within 12 months of the issue of the permit.

The Minister shall make further provisions on the issuing of development permits in regulations.

Land reclamation and forestry plans shall be in accordance with development plans and decisions on environmental impact assessment, where appropriate.

Article 28

Surveying and map-making.

Developed areas and their surroundings shall be surveyed and mapped as is considered necessary in connection with planning work. Those in authority over estates and plots shall be obliged to allow surveyors to enter estates and plots as the need arises in connection with surveying, and allow them to place fixed reference points where these are necessary, providing that they do not result in disfigurement or damage.

Article 29

Property registers.

Local authorities shall have registers (property registers) compiled covering all farms, estates and plots within the municipality. Each register shall contain references to boundaries and ownership in accordance with officially registered records. All streets, roads and squares in the municipality shall be given names and numbers which shall be registered.

Regulations issued by the minister on receipt of the proposals of the Planning Agency, and in consultation with the Ministry of Justice, the General Valuation Office, the Union of Local Authorities in Iceland and the Statistical Bureau of Iceland, shall set forth further provisions on

the registration of plots and real estate and the preparation and presentation of a land register (*cf.* the Real Estate Registration and Assessment Act).

Article 30

Division of estates and plots.

Farms, estates and plots may not be divided, and their boundaries may not be altered, without the permission of the local authority.

Before a local authority grants such permission for building plots, it shall decide the name of the street and the street numbers; other defined land ownership units shall have names for registration in the property register (*cf.* Article 29).

The local authority may require the owners of estates and farms to have satisfactory maps, with co-ordinates made, showing new boundaries for the use of the property register and the registration authority.

Article 31

Local authorities' preemptive right to real estate.

When a development plan under this Act enters into force, the local authority shall acquire a preemptive right to the properties of which it is necessary for it to have control in order to implement the plan.

The local authority may reserve for itself a special preemptive right to certain properties which do not fall under paragraph 1 with an aim of facilitating the planned development of the municipality. The adoption by the local authority of such a preemptive right shall receive the approval of the minister and shall be published in Section B of the Law and Ministerial Gazette.

When selling their properties, the owners of properties covered by preemptive rights shall be obliged to offer the local authority to intervene in the purchase of the properties. The local authority shall state whether it wishes to exercise its preemptive right within four weeks of its being offered to do so. If the local authority does not reply to an owner's offer within the timelimit, the offer to exercise the preemptive right shall be regarded as having been rejected.

The provisions of this Article shall not interfere with the provisions of other statutes specifying more wide-ranging preemptive rights of the local authorities. Procedure concerning cases involving preemptive rights shall be in accordance with the Act No. 22/1932.

Article 32

Authorisation for compulsory possession.

After receiving the comments of the Planning Agency, the minister may grant the local authority authorisation to acquire by compulsory possession areas of land, real estate and quarries, or restricted rights of ownership of such items within the municipality if this is necessary in

connection with the planned development of the municipality according to an approved municipal plan.

On receipt of the comments of the Planning Agency, and on the basis of the current local plan, the local authority may acquire the following by compulsory possession in connection with the implementation of the plan:

1. Real estate which is necessary for the local authority to gain control of, in accordance with the development plan, for common needs.
2. A plot which the owner is not using in the manner decided under the current local plan, providing that the timelimit that was set for building on the plot or altering its use has expired.
3. Real estate, or a part of a real estate unit covered by preservation or local conservation provisions, providing that compulsory possession is necessary in order to ensure the implementation of the plan.
4. Real estate, or a part of a real estate unit on a building plot which is to be redeveloped under a local plan, where it has not been possible to reach agreement with the owner on his part in the redevelopment and compulsory possession is necessary in order to make redevelopment possible.
5. A plot or part of a plot which prevents a new division of plots as determined under a local plan.

Compulsory possession shall only be permitted after the local authority has demonstrably sought to reach agreement with the owners of the properties or rights which it intends to acquire by compulsory possession.

Compulsory possession procedure and the determination of compensation shall be subject to the Act No. 11/1973. Compensation for compulsory possession shall be paid from the local authority treasury.

Article 33

Compensation in connection with the implementation of plans and the acquisition of properties.

If the entry into force of a plan causes a reduction in the value of real estate, if the purposes for which it may be used are abridged compared with what was previously allowed, or if it will deteriorate so that it cannot be used for the same purposes as previously, then a person who is able to demonstrate that he will suffer damage for these reasons shall be entitled to receive compensation from the local authority treasury, or to have the treasury take over the property.

When compensation in connection with planning measures is determined, attention shall be given to possible increases in value of the relevant property as a result of the measures. When compensation is determined, consideration shall be given to whether the new plan has already affected the value of the property or will do so at a later date, the requirements concerning the

density, the number of storeys, parking spaces, children's play areas and open areas in the case of comparable properties, and also whether the plan makes the position of the property relative to the street more or less advantageous than it used to be. Consideration shall also be given to the financial yield which the normal use of the property generates.

A person who considers he is entitled to receive compensation, or who demands to have the property taken over under this article, shall submit his claim to the local authority. If the local authority accepts compensatory liability, it shall see to having assessors appointed by a court in order to determine the amount of compensation. If the local authority accepts a demand that it take over the property, then a compulsory possession compensation assessment committee shall be entrusted with determining the purchase price.

Article 34

Payment of the cost of plan making.

The cost of the preparation of development plans shall be paid as follows:

1. The cost of the preparation of plans which cover the whole country shall be paid in full by the institutions or companies involved. The Planning Agency shall bear the cost of necessary data acquisition and processing (*cf.* paragraph 1 of Article 11).
2. The cost of the preparation of regional plans shall be borne by the Planning Agency and the local authorities involved in accordance with a previously made agreement (*cf.* Article 12 a).
3. Where a local authority undertakes the regular preparation and revision of a municipal plan without a special agreement with the Planning Agency, the agency shall make over to the local authority treasury one half of the planning levies collected in the municipality each year.
4. A municipality which does not receive one half of the planning levies collected in the municipality may make a special agreement with the Planning Agency, which may bear a share of the cost of the preparation and revision of a municipal plan amounting to up to one half. Where special circumstances apply, e.g. if there is a need for an unusually extensive planning work in a municipality with a small population, then an agreement may be made on a larger share of the cost to be borne by the Planning Agency.
5. The cost of local plans shall be paid by the local authority treasury.
6. The cost of preparation of topographic maps necessary for local and municipal plans shall be divided equally between the Planning Agency and the relevant municipality, except in the case of those municipalities which receive one half of planning levies repaid each year (*cf.* item 3 and Article 12 a).

Article 35

Planning levies.

In order to meet the costs incurred by the Planning Agency and the local authorities in connection with planning and building, the State Treasury shall collect a special levy on structures, which is referred to as a planning levy.

On new buildings which are assessed for fire-insurance purposes, a planning levy shall be paid once amounting to 0.3% of the fire-insurance value of each real-estate ownership unit. The term "new building" applies to any newly constructed building which is assessed for fire-insurance purposes, and also to extensions to older buildings if the assessed value of the new extension amounts to at least 1/5 of the value of the older building. The planning levy on structures which are not assessed for fire-insurance purposes shall amount to 0.3% of their foundation cost. On structures which are not subject to a building permit under Article 43, a planning levy shall only be paid on the main distribution and transmission systems of electricity, district heating, water and telecommunications utilities outside urban areas.

Planning levies shall be due for payment when they have been assessed and the Valuation Office of Iceland has announced the result to the State Treasury's collection officer. They shall be accompanied by a statutory lien on the property, which shall take precedence over all other mortgage liens on the property. The levy may be collected by an enforcement proceeding.

In addition to the planning levy referred to in paragraphs 1-3, the State Treasury shall each year pay to the Planning Agency an amount equivalent to not less than one half of the planning levies for the previous year.

The minister shall issue regulations setting forth further provisions on the imposition, collection and disposition of these levies.

CHAPTER IV

Structures.

Article 36

Scope.

The provisions of this chapter shall cover all types of buildings, both above and below ground.

The following shall be exempt from building permit: streets, sewers, roads, bridges, other than foot bridges in urban areas, tunnels, airport runways, distribution and transmission systems of electrical, district heating, water and telecommunications utilities, and also harbours and power stations, providing that they are built under the auspices of public bodies or are constructed according to special statutes. However, building permits shall be required for the construction of permanent buildings raised in connection with these projects. Furthermore, building permits shall be required for telecommunications masts, switch yards and reception discs.

Structures which are exempt from the building permit requirements shall be built in accordance with the planning provisions of Chapter III of this Act. If the event of doubt as to whether a structure is subject to building permit requirements, a ruling shall be sought from the Planning and Building Tribunal (*cf.* Article 8).

Article 37

Building regulations.

In consultation with the Planning Agency and the Union of Local Authorities in Iceland, the minister shall issue building regulations applying to the whole country and containing further provisions on the implementation of the provisions of this chapter.

The building regulations shall specify the demands to be made regarding the design and building of structures concerning their appearance and conformity with their immediate surroundings, their economical and utility value, access to them by disabled people, safety, technical execution and maintenance. Requirements shall be stated regarding foundations, construction materials, load-bearing capacity, thermal insulation, vapour barrier and insulation against noise, ventilation, light, installations, hygiene, fire protection, etc. The building regulations shall furthermore contain provisions on the minimum requirements concerning individual parts of buildings and their various types, working environment and health and safety at the workplace, vegetation and the way in which plots are to be finished off. They shall also contain provisions on the siting of containers, camper-trailers, boats, sales kiosks, etc.

The building regulations shall also contain provisions on design documents and the legal authorization of designers, the recognition, rights and obligations of construction site managers and master craftsmen, how building inspection is to be carried out, responsibilities of building officers and fees for building permits, measurements, inspection and certificates provided by building officers and how these fees are to be collected. The building regulations shall contain provisions on how final inspection is to be carried out.

Words and concepts used in the building regulations which require explanation, e.g. referring to the size and construction stages of structures, shall be defined there. The building regulations shall refer to other regulations which affect their implementation and to the valid technical standards and other matters regarding structures. Reference shall also be made to provisions and obligations which accompany Iceland's membership of international agreements.

A local authority may set local bye-laws containing additional rules over and above those of the building regulations. They shall, *i.a.*, set forth specific requirements made of buildings in connection with flood, avalanche and earthquake hazards, the conservation of older settled areas and vegetation, fences around plots, the instalment of advertising signs and other matters which depend on local circumstances or points of view. They may also contain provisions concerning the local control of construction matters in the municipality. Where municipalities have formed a regional building committee, they may set bye-laws jointly under this paragraph.

Local building bye-laws shall be sent for the approval of the ministry, and shall be published in Section B of the Law and Ministerial Gazette.

Article 38

The role of the building committees.

Building committees, or, where appropriate, planning and building committees, shall be in charge of building activities under the supervision of the local authorities.

Each building committee shall handle applications for building permits and shall present its conclusion to the local authority. The committee shall monitor to ensure that in all parts of the area of which it is in charge, building is carried out in accordance with the valid plan and the provisions of the laws and regulations concerning planning and building.

Building committees shall seek the comments and advice of specially-qualified persons, e.g. regarding access by disabled persons, fire protection, hygiene and safety.

Article 39

The work of the building committees.

Each building committee shall hold regular meetings, at least once a month, providing that applications are awaiting its attention. The committee shall keep a record book in which applications are recorded as having been received, and also how they are concluded. Procedure shall be in accordance with the Local Government Act.

The committee shall be obliged to give reasons for the way in which it treats applications it. The committee's decisions shall be submitted to the local authority for processing.

With the approval of the local authority, a building committee may grant a building officer the authority to issue building and development permits for specific minor projects, providing it is unequivocal that the projects are in accordance with the adopted local plan and that the design documents are satisfactory. Applications which the building officer deals with in this way shall be referred to the next meeting of the committee for formal processing.

If any person considers his rights have been infringed by a resolution of the committee or the local authority, he may, within a month of the time he becomes aware of the processing of the matter by the local authority, refer the matter to the Planning and Building Tribunal in accordance with Article 8.

Article 40

Building officers.

A building officer is the executive officer of a building committee. He shall ensure that general drawings conform to the valid plans, laws and regulations.

The building officer shall determine, in conformity with the building regulations, what design documents shall be submitted with applications for building permits. He shall ensure that they conform to the rules applying to the relevant project, and shall sign drawings to show that they

have been approved. He shall issue building permits after receiving the approval of the local authority, and shall be in charge of ensuring that all the execution of buildings and other construction works is in accordance with approved drawings. He shall carry out inspections and monitor the execution of the construction works as necessary, and also the final inspection of fully-constructed structures, and shall issue certificates to the effect that this has been done, as is provided for in further detail in the building regulations.

The building officer shall ensure that all the materials on which the building committee's decisions are based are kept safely. He shall also see to the registration of property and carry out other tasks entrusted to him by the local authority in accordance with the laws and regulations.

Article 41

Inspection of buildings.

Members of building committees, building officers and their employees shall have unhindered access to plots and structures in order to carry out inspection of construction work.

Drawings, approved and signed by the building officer, shall at all times be on hand at the building site and shall be available to the inspectors.

If there is a reasonable suspicion that a completed structure is substantially deficient with respect to the building laws and regulations, the building officer and his employees shall be permitted access for inspection purposes. However, it shall not be permitted to enter a residential building without the consent of the owner or other authorised user of the premises, except by order of a judge.

If the condition, execution, use, surroundings or maintenance of a building or other construction works is deficient, or if, in the opinion of the building officer, it constitutes a hazard, or it has not been carried out in accordance with the approved drawings and building description, then the building officer shall inform the owner or authorized user of this and require him to rectify those matters which are deficient.

Article 42

Requirements regarding design and choice of materials.

In cases of complicated design, a building officer may demand comments by legally authorized approval designers at the builder's expense.

Before they may be used for construction, construction materials and pre-fabricated construction units and buildings shall have received certification by an accredited construction testing laboratory stating that they meet the requirements of the building and fire-protection regulations, that they conform to standards and that they are suitable for the working methods used and suit local conditions in Iceland.

A building officer may demand that a manufacturer or importer produce a certificate or a test report from an accredited construction testing laboratory specializing in the relevant field stating

that construction materials which are on sale meet the requirements of standards and the building regulations.

In the case of major construction works, a building officer may demand the use of special inspectors at the builder's expense. He may also demand that independent legally authorized designers or specialists with the appropriate knowledge be entrusted with the inspection of construction work when it involves the use of unusual or new construction techniques.

A building officer may, at the builder's expense, demand load tests to be carried out on a structure in order to prove its load-bearing capacity and a test of the workings of its installations be made after it has been constructed. If the structure does not pass the tests, the building officer shall give the builder a particular timelimit by which to make the necessary improvements. Alternatively, he may have the deficiencies rectified at the builder's expense.

A building officer may, after receiving the approval of the local authority, entrust an approval designer or an accredited inspection body with the examination and approval of special drawings. A special fee, equivalent to the cost of the examination, shall be paid for the examination of special drawings. Provisions shall be made in the building regulations on working rules and the collection of fees in this connection.

Article 43

Building permits.

The excavation for foundations, the construction, demolition or alteration of buildings, the alteration of their structural systems, form, appearance or use, or the construction of any other structure covered by Chapter IV of this Act, shall only be permitted after the permission of the relevant local authority has been obtained.

Construction work under paragraph 1 shall be in conformity with the approved municipal plan and the adopted local plan.

A building permit incorporates the approval of general drawings and intended construction, or of an alteration in the use of a building.

A party seeking permission under paragraph 1 shall send a written application to that effect to the relevant building committee together with the necessary design documents and credentials, including the consent of the co-owners in the case of joint ownership. Further provisions shall be made in the building regulations regarding what other documents shall accompany applications for permission and the submission of applications and drawings.

In its handling of the demolition or alteration of old buildings and other structures, the building committee shall observe the provisions of Chapter V of the National Heritage Act.

The local authority may postpone the processing of an application for permission for demolition or alteration of a building for up to two years from the date of receipt of the application. Such a postponement shall be allowed if the local plan has not been approved, or if it is undergoing modification or if local conservation provisions are to be incorporated in the local plan. The

applicant shall be informed of the postponement of the processing of the matter. Owners of property which sustains damage as a result of the postponement of the conclusion on a building permit by the local authority under this paragraph shall have the right to compensation.

When an application is submitted for permission under paragraph 1 in an existing settlement and no local plan exists, or the application involves only an insubstantial modification of the local plan (*cf.* paragraph 2 of Article 26), then the planning committee shall discuss the matter and publicize it in a neighbourhood consultation before it is concluded by the building committee. In a neighbourhood consultation the matter is made known to neighbours who have interests to defend, and they are given an opportunity to submit comments within a certain period, which shall be at least four weeks. At the end of that period, and when the conclusion of the planning committee is available, the building committee shall make its conclusion on the matter. Those who submitted comments on the matter shall be informed of the conclusions of the planning committee and the building committee.

Article 44

Issue of a building permit.

Building permits may be issued when the following conditions have been met:

1. The local authority has confirmed the decision by the building committee to grant a building permit and the building officer has signed the general drawings.
2. The building permit fee and other requisite levies, such as the road-building levy, parking-space levy and connection fee, as appropriate, have been paid in accordance with the valid rules, or agreement has been reached on their payment.

In special circumstances, permission may be granted for individual parts of construction work, in which case the permits in any given case shall be restricted to approved design documents. The building officer may authorize the owner of a plot to investigate the soil on his building site without a building permit having been issued.

Before construction work begins, the construction site manager shall sign a declaration stating his liability and inform the building officer of the names of the master craftsmen involved.

When a building permit has been issued for a new building in an area where a plan has been adopted or approved within an urban area, the local authority shall be obliged to ensure that streets, electricity, water and sewers are in existence, as need demands, unless the local authority has stated special provisos regarding these services.

Confirmation by the local authority shall become invalid if a building permit has not been issued within 12 months.

Article 45

Period of validity of building permits.

A building permit shall expire if construction work is not begun within 12 months of its issue. The regulations shall make further provisions stating when construction work is considered as having begun.

If construction work is interrupted for one year or more, the building committee may invalidate the building permit.

If construction work is interrupted for at least two years, the local authority may, at the recommendation of the building committee and with six months' notice, impose daily penalties on the holder of the building permit (*cf.* Article 57), or may take compulsory possession of incomplete construction works under the Compulsory Possession Act.

Local authorities may set more detailed rules in their construction requirements regarding the speed of construction work.

Article 46

Design documents.

The design documents for buildings and other structures covered by this Act consist of drawings and accompanying documents. Drawings are divided into general drawings, special drawings and detail drawings. The accompanying documents include, i.a., the design criteria and calculations.

General drawings shall show the form, appearance, size and location of the structure, its construction materials, construction methods, internal layout and use, fire-protection measures, lay-out of the plot and how the structure fits in with its immediate surroundings and the approved local plan.

Special drawings consist of:

1. Construction drawings which show the structure as a whole in greater detail.
2. Drawings showing the lay-out of the plot, vegetation and fences.
3. Structural design drawings which show the structure's structural system.
4. Diagrams of the installations, such as the electrical installations, the heating installations, tap water installations, ventilation systems and fire-extinguishing systems, showing their nature, arrangement and detailing. Special drawings shall show the demands made by the rules and standards on safety, access and hygiene regarding design.
5. Detail drawings, which show details of items shown on other drawings and their design in detail.

The building regulations shall make further provisions on requirements regarding design documents, e.g. for different types of construction works.

Article 47

Designers' endorsements

General drawings and special drawings shall be made by designers who have received legal authorization (*cf.* Articles 48 and 49). Designers shall sign their drawings, so guaranteeing that the design is in accordance with professional practice and is in conformity with the building laws and regulations.

The person who signs a general drawing is the co-ordinating designer. A co-ordinating designer shall be responsible to the building authorities for ensuring that special drawings submitted for approval conform with one another and are in conformity with the general drawings.

Designers who present drawings to a building committee shall have sufficient professional indemnity insurance.

Article 48

Authorization of designers.

Those who have received legal authorization from the minister shall have the right to submit drawings for building permits.

Architects, building designers, technical engineers, engineers, electrical technical engineers, interior designers or landscape architects who apply for legal authorization under this Act shall have received the authorization of the Minister for Industry to use their professional designation under the Act respecting the Authorization of Several Professional Titles of Specialists in Technical and Design Faculties No. 8/1996.

Architects and building designers who apply for authorization shall pass an examination administered by a three-person examination committee of consisting of specially qualified persons. The Minister for the Environment shall appoint the committee for terms of four years at a time. The examination shall include the main subjects in which designers must have proficiency when working under local conditions in Iceland. The examination committee shall organize preparatory courses leading to the examinations, which applicants shall be obliged to attend. The minister shall determine the fee to be paid by applicants for taking the examination. The amount of the fee shall be based on the cost of the courses and other costs of holding the examination. The minister shall set further rules in the form of regulations on the holding of courses and examinations, and on the minimum requirements for passing the examination.

In addition to passing the examination under paragraph 3, building designers shall have completed 20 months of working experience.

Applicants other than architects and building designers shall have specialized in the relevant field in which legal authorization is granted and shall have acquired experience of working with legally authorized persons in that field. Their working experience shall have lasted not less than three years, including at least one year in Iceland. Certificates of working experience shall list the projects on which the applicant has worked during his working experience. At the end of the

required period of working experience, applicants shall attend the course and take the examination provided for in paragraph 3. The minister shall seek the comments of the relevant association of professionals before granting legal authorization.

Each year, the minister shall send a list of legally authorized designers to the Planning Agency and the building officers.

Article 49

Legal authorization in specialized fields.

Architects and building designers may be granted authorization by the minister to execute general drawings and construction drawings, drawings of the lay-out of plots and the appropriate detail drawings.

Engineers and technical engineers with the appropriate specialisation may receive authorization from the minister to design and make the special drawings for structural design, communication conduits, electrical supply systems and electrical wiring in structures, water, heating and sewage systems, ventilation systems and lighting systems.

Civil engineers and civil technical engineers may be granted authorization by the minister to execute general drawings and construction drawings and the appropriate detail drawings providing they have acquired at least five years' experience of working with legally authorized persons in that field.

Interior designers and landscape architects may receive authorization from the Minister as designers of special drawings, each in their own fields.

Electrical technicians may receive authorization from the minister as designers of special drawings in their own fields. The minister shall set limits in regulations regarding the size of electrical supply systems.

Article 50

Legal authorization of approval designers.

Engineers with a specialisation degree and legal authorization in the appropriate design field may receive special authorization from the minister as approval designers (*cf.* paragraph 6 of Article 42) providing they have at least six years' working experience in this field, including at least one year working at inspection of construction work.

The minister shall set further rules on the qualifications required of approval designers, their work and working methods. Applicants may be required to take an examination.

Article 51

Construction site management.

A construction site manager shall be in charge of construction work on all types of structures.

The following may become construction site managers:

1. Master carpenters, master masons, master plumbers, master machinists, master electricians and building technicians who have received recognition under Article 52 and also the required licences.
2. Architects, engineers, technical engineers and building technicians with three years' experience of project and construction management or work in construction inspection.

The construction site manager is the manager of the construction work. He shall engage a master craftsman at the beginning of the work, with the consent of the owners, or shall approve their engagement. The same shall apply to the dismissal of a master craftsman. The building manager shall be responsible for ensuring that building is executed in accordance with approved drawings and the laws and regulations. He shall have a satisfactory professional indemnity insurance which shall be valid for at least five years from the date of completion of the work of which he is in charge. In other respects, construction site managers' mandates, the scope of their work and their responsibilities towards the owners of construction works shall be determined by agreements between them. The building regulations shall make further provisions for such agreements. A construction site manager shall confirm his liability to the building officer before construction work begins.

The construction site manager shall inform the building officer of the completion of parts of the construction work for which inspection is required. At the end of the work, the construction site manager shall confirm that the structure has been built in accordance with the approved drawings and the laws and regulations.

If the construction site manager leaves his position before the work is completed, the building officer shall be informed of this. Construction work shall then be stopped until a new construction site manager is engaged. Those parts of the work which are completed shall then be inspected, and the inspection report shall be signed by both the construction site manager who is leaving the project and the new one who is taking over from him, where this is possible, and also the building officer.

The responsibility of a new construction site manager to the building committee shall be limited to those parts of the construction work on which work is carried out after he begins work.

Article 52

Master craftsmen.

Each master craftsman shall be responsible towards the construction site manager and the owner of the construction works for ensuring that those parts of the work which he undertakes to supervise are carried out in accordance with recognized working procedures, approved drawings and laws and regulations. Before beginning work, a master craftsman shall submit confirmation of his liability to the building officer.

Only master craftsmen who have received permits from the minister for this purpose may bear liability for individual parts of the construction works. Master craftsmen who hold valid masters' certificates and have completed an examination from a masters' school may receive such authorization providing they work as master craftsmen in their trade. Before permits are granted, the comments of the Federation of Icelandic Industries shall be sought. Further provisions concerning the education, working experience, rights and obligations of master craftsmen shall be set forth in regulations.

If a master craftsman leaves his position before the project is completed, the construction site manager shall have a new master craftsman take over his work without delay, and shall inform the building officer of this.

Work on those parts of the project for which the master craftsman who is leaving the project was responsible, and which he was in charge of, shall be stopped until a new master craftsman has signed a declaration of liability. Those parts of the work which were under the supervision of the master craftsman who is leaving the project shall be inspected, and the inspection report shall be signed both by him and by the new master craftsman where this is possible. The new master craftsman shall be responsible for those parts of the work which are carried out after he begins work.

Each year, the Minister shall send a list of legally authorized master craftsmen to the building officers.

CHAPTER V.

Fees for permits.

Article 53

Fees for development and building permits.

The local authorities can collect fees for permits for development projects which have an effect on the environment and change its appearance (*cf.* Article 27) and for permits to build, enlarge or alter buildings. They can also collect fees for site measurements, monitoring, inspection and certification provided by the building officers. These fees may not amount to more than the cost of issuing the permits, site measurements, monitoring inspection and certification provided by the building officer.

Article 54

Parking-space fees.

If it is not possible to fit the required number of car-parking spaces on the plot of a new building, the local authority may decide to levy parking-space fee on the plot. The fee may amount to the estimated cost of constructing the parking spaces which remain to be provided. The local authority may issue a special scale of charges for parking-space fees in the municipality, which shall be approved by the minister.

Parking-space fees shall go to a special fund which shall be spent on the development of public parking spaces in the vicinity of the relevant plot.

Article 55

Payment of fees.

The local authority shall decide the date of payment of fees for development permits, building permits and parking-space fees and how they are to be collected. Building permits may not be issued until these fees have been paid according to the rules, or until agreement has been reached on their payment.

Arrears on the payment of fees under paragraph 1 give the building officer the authority to refuse to issue certificates concerning the relevant structure.

Fees under Articles 53 and 54 shall be accompanied by statutory liens on the relevant property or plot, and accrued fees may be collected by distraint.

CHAPTER VI

Enforcement measures and penalties.

Article 56

Construction work which violates plans or is carried out without permission.

If a development project covered by Article 27 or by Chapter IV of this Act is begun without permission having been obtained, or if it is carried out in a manner different from that for which permission was granted, or if a building is put to a use other than that which the local authority has authorized, the planning/building officer may stop such actions immediately. If the project requires a development permit the planning officer shall seek the confirmation of the local authority. If the project requires a building permit the building officer shall seek the confirmation of the building committee as soon as possible.

If construction work covered by Chapter IV of this Act is begun without permission having been obtained, and it violates a plan, or if construction work is begun with a building permit which violates a plan, the building officer shall stop the work immediately, following which the illegal

building, or part of a building, shall be removed and the site shall be restored, or activity shall be discontinued.

If a structure covered by Chapter IV of this Act is built without the approval of the local authority and the authority neglects to remove it within six months of the time that it became aware of the matter, the Planning Agency shall have the structure removed at the local authority's expense.

The development plan for an area in which construction work has been carried out in violation of the plan may not be amended before the illegal building, or part of a building, has been removed, broken ground smoothed over or activity discontinued.

The building committee may at all times order the removal of an illegal building, or part of a building, the smoothing over of broken ground or the cessation of activity

If the need arises, the police shall be obliged to assist a building officer or building committee in carrying out the measures referred to in paragraphs 1-6.

If, during the final inspection of a structure, fire-protection measures prove to be unsatisfactory, the building officer and, as appropriate, the health officer, acting in the interests of public safety and health, shall prevent the building from being used until the situation has been rectified.

The local authority treasury, or, as appropriate, the State Treasury, shall have the right of recourse against the builder for the entire cost it has borne as a result of the illegal building activity, and shall have a statutory lien for its claim on all the materials that have been used in the course of the building activity.

Article 57

Measures for rectification.

If a party does not comply with the orders of a building officer or building committee before the timelimit set by the local authority, the authority may impose daily penalties until the situation is rectified. The maximum amount of daily penalties shall be determined in the building regulations. daily penalties shall go to the local authority treasury.

A building committee may have work, which it has ordered to be done, carried out at the expense of the party who has neglected to do it.

Daily penalties and expenses under paragraphs 1 and 2 may be collected by distraint.

Article 58

Remedies concerning violations committed by designers.

If a designer who has received legal authorization under Article 48 or Article 49 submits design documents which are in violation of the provisions of this Act, or of regulations issued under this Act or a development plan, the building committee may reprimand him. In the event of a serious

or repeated violation, the committee may request the minister to withdraw the legal authorization of the designer concerned.

The minister may reprimand a designer, and in the case of repeated violations may withdraw his legal authorization either for a specific period or permanently. Before making a decision on the withdrawal of legal authorization, the minister shall seek the comments of the Planning Agency and the relevant professional association, and shall give the designer the opportunity to express his view on the matter.

Article 59

*Remedies in the event of violations committed by construction site managers
and master craftsmen.*

If a construction site manager or master craftsman who is responsible for construction work violates the provisions of laws, regulations or bye-laws on planning and building, the building committee may reprimand him. In the event of a serious or repeated violation, the committee may request the minister to withdraw his recognition.

The minister may reprimand a master craftsman, and in the case of repeated violations may withdraw his recognition, either for a specific period or permanently. Before making a decision on the withdrawal of recognition, the minister shall seek the comments of the building committee of the relevant municipality and the Federation of Icelandic Industries and give the master craftsman the opportunity to express an opinion on the matter.

Article 60

Criminal liability.

Violations of this Act and regulations issued hereunder shall be punishable by fines or custody except where more severe punishment is provided for in other statutes.

Cases under this Article shall be treated as criminal cases (*cf.* the Act No. 19/1991).

CHAPTER VII

**Authority over planning and building
in agreed areas. Commencement.**

Article 61

Authority over planning and building in agreed areas.

The Minister for Foreign Affairs shall be in charge of planning and building matters in the advertised agreed areas in accordance with the provisions of the Act No. 106/1954 (*cf.* also the Act No. 110/1951).

The provisions of the Planning and Building Act and of regulations issued under the Act shall apply to all planning and building in the agreed areas, as appropriate, including the collection of fees. The Minister for Foreign Affairs shall appoint a Planning and Building Committee, which shall administer these matters, and he may entrust the committee with other related matters in the agreed areas.

In carrying out its work, the committee shall collaborate closely with the Planning Agency and the local authorities which may be involved, such as those in the Suðurnes region. The Minister for Foreign Affairs shall issue regulations containing further provisions on the application of this Article after consulting the Minister for the Environment.

Article 62

Commencement.

This Act shall take effect on January 1st 1998. On the same date, the Planning Act, No. 19/1964, with subsequent amendments, and the Building Act, No. 54/1978, with subsequent amendments, shall stand repealed. The words "according to the valid plan" shall replace the words: "in planned areas" in Article 25 of the Nature Conservation Act, No. 93/1996.

Interim Provisions.

1. The Planning Regulations in accordance with Article 10 and the Building Regulations in accordance with Article 37 shall be applied as soon as possible, at the latest on July 1st 1998. Until then shall the current planning and building regulations apply to the extent that they do not contradict this Act.

2. All local authorities shall have completed municipal plans not later than ten years after the commencement of this Act. The minister may, after receiving the comments of the Planning Agency, grant exemptions from this provision where the circumstances do not demand the preparation of a municipal plan. The minister may also, on the recommendation of the Planning Agency, set a local authority a period shorter than ten years if circumstances demand the more rapid preparation of a municipal plan.

3. In the absence of a municipal plan or an approved local plan, a local authority may, on the receipt of the recommendations of the Planning Agency, permit individual projects for which applications may be submitted, and such permission may be made subject to certain conditions.

The decision of the Planning Agency concerning such applications may be referred to the Planning and Building Tribunal (*cf.* Article 8).

4. If substantial construction work is intended, without an approved municipal plan being in existence, the Planning Agency may give the local authority a timelimit by which to submit a municipal plan proposal. If the local authority fails to prepare a municipal plan proposal before the timelimit, the agency shall recommend to the minister that the construction work and other development in the municipality be stopped until a municipal plan has been prepared.

5. The provisions of this Act shall affect neither the pre-existing rights of designers to submit drawings to a building committee nor the recognition by the building authorities of master craftsmen and construction site managers who are recognized as competent to be in charge of construction work in their respective fields at the time of commencement of this Act.

6. Building officers who are working at the time of commencement of this Act shall retain their full rights to work notwithstanding the provisions of Article 7.

7. If at the time of commencement of this Act the parties listed in Articles 48 and 49 have already completed part of the period of working experience necessary under the current Act to acquire legal authorization, they shall have the option of completing the period according to the older rules.

8. Joint committees on the preparation of regional plans, existing when this Act takes effect, shall continue but procedures shall be in accordance with this Act.

9. For the first time, the joint committee for the central highlands shall be appointed, according to paragraph 2 of Article 12 a, immediately after the commencement of this Act and serve until the next general municipal election.