

Mandatory works and urban rehabilitation | Vacant properties and IMI increase

On 21 May 2019, two new legal instruments were published, which, despite their different scopes, aim to promote the rehabilitation and provision of built heritage in larger cities:

- (a) **Decree-Law 66/2019**, which amends the Legal Regime of Urban Planning and Building (RJUE) and the Legal Regime of Urban Rehabilitation;
- (b) **Decree-Law 67/2019**, which amends the regime of the vacant urban properties (Decree-Law no. 159/2006) and the Municipal Property Tax Code (CIMI).

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Decree-Law 66/2019 intends, in particular, to facilitate the proceedings foreseen for the execution of mandatory works, namely in which refers to the notification of the owners and the measures that entitle the Municipalities to be compensated for the expenses incurred with the execution of those works on behalf of the owners. In this regard, amongst the most significant, the following amendments shall be highlighted:

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- The works to be carried out further to the Municipality's injunction are subject to a prior communication procedure;
- If it is not possible to notify the acts that determine the inspection or the administrative possession of the property by means of postal notification, due to lack of information about the identity or location of the owner, this piece of legislation sets out that the latter shall be notified by means of public notice;
- The Municipality may choose to be reimbursed through forced lease of the properties, when it executes, on behalf of the owner, the mandatory works and the latter fails to reimburse the expenses incurred by the Municipality;
- Municipalities shall promote on its own initiative the registration of the injunctions for the execution of mandatory works in the land register.

In turn, **Decree-Law 67/2019** reinforces the conditions under which Municipalities may significantly increase the municipal property tax rate for vacant properties located in urban pressure areas. As such, this piece of legislation:

- Introduces the concept of *urban pressure area*, which corresponds to areas where there is a significant difficulty of access to accommodation, either because the housing provision is scarce or inadequate, or because that offer is provided at values that are not affordable by the generality of families;
- Changes the classification rules of urban properties or independent units as vacant, namely through the creation of new evidences of vacancy.

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Decree-Law 67/2019 entered into force on 22 of May, whilst the Decree-Law 66/2019 shall enter into force on 20 June 2019.

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