

Romanian Parliament lends a helping hand to local authorities in the urbanism field

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The Romanian Parliament has recently passed a new piece of legislation ("Law 124/2024") allowing local authorities to extend until 31 December 2026 the validity term of the general urbanism plans (*in Romanian: "planuri de urbanism generale" or "PUG"*), which were drawn up and approved before 2003. Law 124/2024 entered into force on 10 May 2024 and approved Government Ordinance no. 33/2023 regarding the prolongation of certain validity terms in the urbanism and construction field ("GO 33/2023").

The legislator's and the Romanian Government's concerns regarding urbanism documentation are not a recent development. On the contrary, the first concerns were raised as early as 2011, when an Emergency Government Ordinance was enacted to amend Law no. 350/2001 on urbanism and territory Planning (the "**Urbanism Law**"), introducing the possibility to extend the existing PUGs, which were about to expire, until the entry into force of the future PUGs; however, such an extension was then allowed only for a period of no more than 2 years from the expiry of the existing PUGs. This 2-year time limit for the extension of PUGs was later changed by subsequent legislative means to 3, 5 and even 10 years, until it was finally repealed. At present, starting with 28 June 2018 (the date of entry into force of the Emergency Government Ordinance no. 51/2018 for the amendment of the Urbanism Law), art. 46 par. (1¹) of the Urbanism Law provides that a PUG may be extended until the entry into force of the future PUG, provided that the procedure for drawing up or updating the PUG is initiated prior to the expiry of the old PUG.

We would note that the above-mentioned legal provisions were/are applicable to the PUGs that were drawn up and approved after the year 2003, given that in 2012, one particular rule was enacted by Emergency Government Ordinance no. 85/2012 for the PUGs adopted prior to the year 2003, whose extension would not have been otherwise possible under the then applicable legal framework (which allowed such an extension for a period of no more than 3 years from the expiry of the PUGs). It was established that these old PUGs could have been extended until 30 December 2015, irrespective of the 3-year time limit that was applicable at that date for the other PUGs.

The enactment of each piece of legislation passed in this matter was justified by the Romanian Parliament or by the Romanian Government due to fact that more than 40% of total localities in Romania had expired PUGs. This was mainly due to the lack of financial resources that could be allocated for this purpose. As a direct consequence of having expired PUGs, there would have been no legal means available at the local level for the issuance of building permits, which would in turn lead to adverse effects on planned private and public investments, the construction industry as a whole, the business environment in general, as well as on the creation of new jobs and the economic development of the population.

However, it seems that the authorities were unable to comply with said deadline and, therefore, this term was extended not only once, but three times, (*i.e.*: first until 30 December 2018, then until 31 December 2023 and for a third time until 31 December 2026).

It appears that, even to date, except for some very limited cases where new PUGs were adopted and implemented (such as the case of Timisoara Municipality), most of the localities in Romania are still regulated by old PUGs. Even the Bucharest PUG was adopted in 2000. These PUGs are obviously outdated for the current economic and social reality in Romania. Even Bucharest finds itself in this situation, with the current PUG dating back to the year 2000. The nearly 10 years that have elapsed since the enactment of this particular rule for PUGs adopted prior to the year 2003 demonstrates the local authorities' incapacity and lack of involvement in terms of drawing up and updating the PUGs. The same can be said with regard to their ability to attract financial resources for the aforementioned purpose, including funds from Romania's Recovery and Resilience Plan.

Needless to say, updated PUGs that correspond to the current social and economic requirements and needs in Romania would help foster the sustainable development of the construction industry in Romania and the attraction of new investment.

Even the statement of reasons for the passing of Law 124/2024 signed by the Romanian Prime-Minister underlines the fact that, since 2003, Romanian legislation has undergone major amendments in the urbanism field and in other related fields (cadastre, environment protection, natural and cultural patrimony, transport infrastructure, energy infrastructure, telecommunication, etc.) and, consequently, those PUGs approved prior to 2003 no longer correspond to the legal framework in force at present. Despite such a statement, when faced with the risk of delays or blockages in issuing building permits due to the absence of a valid PUG, the Romanian Prime-Minister has proposed to the Romanian Parliament the approval of GO 33/2023, whereby the PUGs adopted prior to the year 2003 can be extended until 31 December 2026.

Given all the above considerations, questions remain on whether all these pieces of legislation actually do represent a helping hand from the central authorities towards local authorities, or if a different approach should have been taken. For example, simplifying the bureaucracy in the PUG adoption procedure, or coaching and training local authorities to better deal with procedural requirements, including those related to the attraction of financial resources for this purpose.

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