



Mýrdalshreppur

RESOLUTION

on a Municipal Street Construction Fee in Mýrdalshreppur

Art. 1

General Authority

For all new buildings and extensions in urban areas in Mýrdalshreppur, a municipal street construction fee shall be paid in accordance with this resolution, cf. Article 12 of the Act on a Charge for Municipal Street Construction no. 153/2006.

A local loop fee for water supply shall also be paid for the same project, cf. the Act on Municipal Water Supply no. 32/2004, a connection fee for sewers according to the Act on the Construction and Operation of Sewerage no. 9/2009 and a building permit fee according to the Construction Act no. 160/2010 and fees for construction permits and planning work according to the Planning Act no. 123/2010.

Art. 2

Disposal of Municipal Street Construction Fee

The municipal street construction fee shall be spent on street construction in the municipality and maintenance of streets and other street structures.

Building permit fees as well as connection and local loop fees and fees for construction permits and planning work are collected separately according to tariffs and are not included in the municipal street construction fee.

Art. 3

Municipal Street Construction Fee Base

The municipal street construction fee is twofold. On one hand, it is due to new buildings and on the other hand, due to the expansion of older housing.

The basis for imposing a municipal street construction fee for new buildings is the number of square meters of a building on a specific site, while the basis for imposing a municipal street construction fee for the expansion of an older building is the number of square meters of the building for which a building permit is granted.

The fee base is determined as follows:

- a) When the municipality allocates or sells a plot or building right on a plot, a street construction fee is charged in accordance with the number of square meters of the building that may be built on the plot in question according to the current zoning plan.
- b) When a street construction fee is not levied according to Item A, or if a building permit is granted for a building larger than the levy according to Item A was originally based on, a street construction fee is charged in accordance with the number of square meters of the building covered by the building permit.

When levying according to Paragraph 2 (b), it shall be based on the size of the house according to approved plans and ÍST 50.

Article 4

Calculation of Municipal Street Construction Fee

For each square meter of a house, a certain percentage of the construction costs is paid per square meters in the index building of an apartment building, as it is at any given time according to calculations by Statistics Iceland on the basis of Act no. 42/1987. Percentage of construction cost is determined by housing type as follows:

Housing type	Percentage
Single-family houses with or without garage	7,50%
Semi-detached house with/without garage	6,50%
Semi-detached house with/without garage	6,50%
Multi-unit houses with/without garage	4,00%
Commercial, service and other housing	3,50%
Industrial premises	3,00%
Stables	2,00%

Minimum fee according to Paragraph 1 shall never be higher than 15% of the construction cost per square meter in the index building of an apartment building as it is at any given time according to calculations by Statistics Iceland on the basis of Act no. 42/1987, on the construction cost index.

When a building permit is granted for the reconstruction, alteration or change of use of housing so that it moves to a higher fee category, cf. Paragraph 1 a municipal street construction fee corresponding to the difference between the higher and lower fee category shall be paid. The owner of the plot, or the building permit holder where applicable, is not entitled to a refund if the building is moved to a lower fee category upon such a change.

Amounts are changed on the 1st day of each month in accordance with the change in the construction cost of the index house (ISK 186,011/sqm, building index 119 points in January 2014).

Art. 5

Exemptions From the Payment of Municipal Street Construction Fees

The following buildings are exempt from the payment of the municipal street construction fee:

- a) Plumbing basements and other windowless basements, which are only accessible from the inside.
- b) Covered balconies for residential buildings that are 20 square meters or less.
- c) Uninsulated huts, smaller than 6 square meters, for larger huts the same municipal street construction fee is paid as for stables.

Art. 6

Special Reduction Authorization

The municipal council may reduce or abolish the street construction fee for individual plots in the municipality for special reasons, such as due to urban densification, industrial development, low demand for the plot in question or due to the demand for rental housing.

Furthermore, the municipal council may reduce or abolish fees for specialized social housing, such as cohabitation for the disabled, serviced apartments for the elderly and social rental housing, provided that such housing is owned by institutions, associations or companies that are not run for profit, cf. conditions regarding the obligation to bind and the obligation to repay in the second Paragraph, Article 6 of the Act on Municipal Street Construction Fees.

Art. 7

Terms of Payment

The due dates for municipal street construction fees shall be as follows:

- a) When allocating plots, selling plots or granting building rights according to Art. 3 (a) or when issuing a building permit according to Item b of the same article, 50% of the municipal street construction fee shall be paid.

If the street in question has not been paved at the allotment of plots or the issuance of a building permit, only 20% of the fee shall be paid at the allotment of plots and 30% when the street is paved.

- b) 50% of the fee is paid When a weather-tight certificate is issued.
- c) When issuing a building permit for projects that fall under Article 5. but are not exempt from the street construction fee, the street construction fee shall be paid when the building permit is issued.

The deadline is 30 days after the due date.

Penal interest shall be paid on overdue street construction fees, cf. the provisions of Act no. 38/2001 on Interest and Indexation, from the due date.

Art. 8

Phase Division of Construction

In cases where the owner of the plot intends to build a house, other than a residential house, in stages, the local government may authorize such a division into stages and then the municipal street construction fee shall be paid in accordance with the agreement in force when the building permit for each phase is issued.

The applicant shall state specifically in the plot application that they intend to construct the proposed structure in phases and when they intend to start construction on each construction phase.

If a phase division is permitted, the estimated fees will fall due at the beginning of each construction phase in accordance with the plot owner's plans when allocating the plot.

Art. 9

Withdrawal of Allotment of Plots Due to Default or Delay in Construction

If the owner of the plot does not pay the street construction fee on time, the district committee may, following a warning, revoke the building permit and/or allotment of the plot, and this shall be provided for in the allotment or building terms.

If drawings of the proposed building have not been received by the building committee for approval within 6 months of the allotment of the plot, the allotment of the plot may be revoked and the street construction fee will be refunded.

The construction deadline is 12 months, i.e. the plot reverts back to the municipal fund if construction has not started within that time since the granting of the building permit, unless the permit was subject to other terms on the construction deadline.

Art. 10

Responsibility for Payment of Municipal Street Construction Fee. Right of Lien

The owner of the lease plot and the owner of the property plot are responsible for the payment of the municipal street construction fee.

The municipal street construction fee, together with accrued interest and costs, is secured by a lien on the property in question, with a priority right for any kind of contract collateral and execution collateral.

Art. 11

Reimbursement of Municipal Street Construction Fee

The street construction fee shall be reimbursed in the following cases:

- a) If the owner of the plot returns the allotted plot or if the plot allotment is revoked.
- b) If a street construction fee has been paid in connection with the issuance of a building permit, but the permit expires.

The municipal street construction fee shall be refunded within 30 days if the plot is revoked according to Item A, the same applies to the municipal street construction fee that has been levied in connection with the issuance of a building permit, cf. Item B, in which case the municipal street

construction fee shall be reimbursed within 30 days from the time the building permit holder has verifiably demanded a refund.

The municipal street construction fee shall be reimbursed and indexed, without interest, based on a change in the construction cost index from the time the plot owner paid the street construction fee until the date of repayment.

Reimbursement is otherwise in accordance with Art. 9 of the Act on a Municipal Street Construction Fee no. 153/2006.

Art. 12

Older Contracts and Terms For Municipal Street Construction Fees

Contracts on municipal street construction fees for specific plots that plot holders or plot owners have made with Mýrdalshreppur before the entry into force of this tariff, as well as terms regarding municipal street construction fees, which the municipal council has set for the same time limit as the plot holder and plot owner have agreed to, is subject to the tariff on municipal street construction fees in Mýrdalshreppur no. 1347/2007.

Art. 13

Entry Into Force

The resolution is drafted and approved by the municipal council of Mýrdalshreppur, according to authority provided for in Act no. 153/2006 on Municipal Street Construction Fees.

The resolution enters into force immediately and is published for the information of all parties involved.

Furthermore, the tariff for municipal street construction fees in Mýrdalshreppur no. 1347/2007 is voided.

Approved at a meeting of the municipal council of Mýrdalshreppur on January 10, 2014

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