

Act on urban renewal and urban development

PART I: Local-authority effort regarding urban renewal and urban development

PART II: Area renewal

PART III: Building renewal of private rental dwellings

PART IV: Building renewal of owner-occupied dwellings and dwellings in housing cooperatives

PART V: Building renewal of businesses

PART VI: Recreational areas

PART VII: The Danish Building Defects Fund regarding building renewal

PART VIII: Alternative accommodation, etc.

PART IX: Condemnation of dwellings or rooms constituting a health and fire hazard

PART X: Urban renewal board

PART XI: Miscellaneous

Act no 1234 of 27 december 2003 on urban renewal and urban development

BE IT KNOWN that the Folketing has enacted and We Margrethe the Second, by the Grace of God, Queen of Denmark, have given Our Royal Assent to the following act:

PART I

Local-authority effort regarding urban renewal and urban development

1. The local council shall in pursuance of the provisions of this Act be instrumental in

(i) starting development and transformation of troubled cities and urban areas to make them attractive for settlement and private investments;

(ii) strengthening the basis for private investments in troubled urban areas through a coordinated and integrated effort aimed at the entire area via measures to improve social conditions in poor housing and areas, via renovation of dwellings and buildings, via establishment and improvement of recreational areas; and

(iii) creating well-functioning dwellings and dwelling areas located outside the urban areas mentioned in item (ii) above through the renovation and rebuilding of considerably run-down dwellings and the establishment and improvement of recreational areas.

2.-(1) For the performance of section 1 hereof, the local council may designate areas for implementation of decisions on area renewal made pursuant to Part II hereof.

(2) For the performance of section 1 hereof, the local council may also decide to designate areas or actual properties where the local council wants to encourage the owners to commence building renewal pursuant to Parts III-VI hereof.

(3) The local council may establish criteria for the prioritisation of applications for subsidies for building renewal.

(4) The provisions of this Act may be applied when the requisite planning basis exists in pursuance of the Act on Planning.

PART II

Area renewal

The local council's role

3. With a view to strengthening the basis for private investments, the local council may make a decision on area renewal in run-down urban areas, in housing areas with considerable social problems and in old business and dock areas designated as urban transformation areas pursuant to section 11(5)(iv) of the Act on Planning and which cannot immediately be transformed on market conditions. The decision shall be instrumental in starting and coordinating measures to promote development in the urban area.

Application and reservation, etc.

4.-(1) On the basis of a brief description of the area and the initiatives contemplated, cf. section 3 hereof, and a budget of anticipated expenses, the local council may apply to the Minister for Economic and Business Affairs for reservation of funds within the annual spending limit outlined in section 6(1) hereof with a view to making a decision on area renewal.

(2) On the basis of the application mentioned in subsection (1) above, the Minister for Economic and Business Affairs may grant the local council a reservation of the spending limit; cf. section 6(1) hereof.

(3) The local council shall before a deadline set by the Minister for Economic and Business Affairs submit its decision on area renewal, cf. section 5 hereof, to the Minister for Economic and Business Affairs.

(4) In its use of funds granted for housing renewal, cf. section 94(1) hereof, the local council shall prioritise properties located in areas undergoing area renewal.

Urban renewal programme

5.-(1) The local council shall make a decision on area renewal based on a programme for area renewal, the urban renewal programme.

(2) In connection with the preparation of the programme, the local council shall establish binding cooperation with the parties who may be affected by the local council's decision on area renewal. The local council may formalise the cooperation through the creation of a partnership.

(3) The urban renewal programme shall include

(i) a description of the area, including problems and resources in the area;

(ii) a description of local-authority and private initiatives in the problem areas mentioned and a description of the coordination of initiatives;

(iii) an action plan and a timetable, including a deadline for final implementation of the decision;

(iv) a budget, stating how expenses for the area renewal are to be financed;

(v) an investment statement for the area, stating the possibilities for private and public investments in the area;

(vi) a description of measures eligible for subsidies pursuant to this Part;
and

(vii) a statement of the need for building renewal in the area.

(4) As regards old business and dock areas, the urban renewal programme shall include information as stated in subsection (3)(i)(iii)(iv) and (vi) above.

(5) The local council shall implement the decision on area renewal within a time limit of maximum five years from the adoption of the decision; but see subsection (6) below. In special cases, the Minister for Economic and Business Affairs may grant exemption from the time limit.

(6) The time limit for implementing the decision on area renewal of old business and dock areas, cf. section 3 hereof, shall be fixed in consultation with the local council.

(7) In the event that the decision is not implemented within the time limits stipulated in subsections (5) and (6) above, any reimbursement made pursuant to this Part may have to be repaid.

Subsidies

6.-(1) Subject to application, the Minister for Economic and Business Affairs may within an annual spending limit of DKK 50 million make a commitment to reimbursing the local council for the implementation of a decision on area renewal; cf. sections 7 and 94(2) hereof.

(2) The Minister for Economic and Business Affairs may make a commitment to reimbursing the local council's expenses relating to the following activities; but see subsection (3) below:

- (i) Programme preparation and inclusion of the parties affected in connection with the decision on area renewal.
- (ii) Establishment and improvement of markets, squares, recreational areas, etc.
- (iii) Establishment of cultural and special measures to improve social conditions in poor housing, including establishment of premises.
- (iv) Establishment of special traffic measures.

(3) In old business and dock areas, the Minister for Economic and Business Affairs may make a commitment to reimbursing the local council's expenses relating to the following activities:

- (i) Investigation of the extent of soil contamination and estimated expenses for the remediation thereof.
- (ii) Mapping of ownership and business conditions in the area.
- (iii) Preparation of action plans for the future use of the area.
- (iv) Preparation of the organisational basis for implementing the transformation.

Scope and conditions of reimbursement

7.-(1) A commitment to reimbursing the individual decisions pursuant to section 6 hereof shall not exceed one third of the local authority's expenses for measures relating to the area renewal, but, not more than DKK 10 million.

(2) It shall be a precondition for commitment given pursuant to section 6 hereof that work has not been commenced.

(3) The Minister for Economic and Business Affairs may lay down specific rules on the allocation of the spending limit mentioned in section 6(1) hereof, the administration of the scheme and the delimitation of measures eligible for reimbursement under section 6 hereof. The Minister for Economic and Business Affairs may also lay down provisions on selection criteria for determining areas eligible for subsidies.

PART III

Building renewal of private rental dwellings

Scope of this Part

8.-(1) The local council may make a decision on providing subsidies to cover expenses for building renewal of private rental dwellings lacking installations in the form of modern heating, toilet or bath, or which are built before 1950 and considerably run down.

(2) The decision may comprise the following measures:

(i) Maintenance work relating to the building.

(ii) Improvement work relating to the building.

(iii) Demolition, when justified in the building's physical condition or the motive of establishing reasonable access to light, air and recreational areas or open spaces for the existing housing located immediately adjacent to the cleared area.

(iv) Establishment of small extensions with a view to establishing toilets or baths in buildings where the individual dwellings have no toilet or bath and establishment of small buildings for technical installations or the like.

(3) Works under subsection (2)(i)(ii) and (iv) above shall ensure or increase the state of preservation of the exterior building parts.

(4) The local council may only make a decision in pursuance of subsection (1) above if condemnable conditions and safety deficiencies have been remedied or will be remedied no later than in connection with the implementation of the decision.

Application and commitment procedure

9.-(1) Owners of properties containing dwellings comprised by section 8 hereof may apply for subsidies by submitting a project to the local council.

(2) The local council may require any information about the project, the property and the owner's financial situation relevant to the consideration of the application.

10. The local council shall consider applications submitted and make a housing renewal decision on granting subsidies to the owner, including the amount of such subsidies.

11.-(1) The local council may set architectural, environmental and design conditions for providing subsidies and requirements for the performance of certain works.

(2) The local council shall as a condition for providing subsidies set deadlines for the completion of the works as well as a deadline for the presentation of housing construction accounts.

(3) The local council shall approve the owner's accounts of expenses eligible for subsidies no later than six months after the owner has submitted satisfactory information facilitating such approval.

(4) Provision of subsidies shall be subject to works not being started before the local council has committed itself to granting subsidies pursuant to section 10 hereof.

(5) Conditions, requirements and deadlines, cf. subsections (1) and (2) above and sections 15(3) and 54(1)-(3) hereof, shall be stated in the commitment to granting subsidies made in pursuance of section 10 hereof.

Subsidies

12.-(1) Expenses eligible for subsidies constituting the maximum basis for calculating subsidies shall consist of rebuilding expenses less

(i) subsidies provided under other legislation;

(ii) deposits on exterior maintenance accounts, cf. the Act on Temporary Regulation of Housing Conditions, and deposits on the account for improvements, cf. the Rent Act, to the extent that money from these accounts can be used to cover the expenses;

(iii) deposits on internal maintenance accounts, cf. the Rent Act, to the extent that painting of ceilings and walls and wallpapering are part of the improvement; and

(iv) for owners liable to pay income tax, a share of the expenses for interest on development loans relating to temporary funding of expenses for maintenance works, amounting to 30 per cent for companies liable to pay income tax and 33 per cent for persons liable to pay income tax.

(2) Expenses covered by insurance, discounts or the like shall not form part of the expenses eligible for subsidies. The owner shall notify the local council thereof.

13. The rebuilding expenses eligible for subsidies for which the local council has decided to make a commitment to granting subsidies in pursuance of section 10 hereof shall be divided into improvement expenses and maintenance expenses in accordance with the principles of the rent legislation as well as demolition expenses.

14. The local council may grant subsidies in the form of cash subsidies for maintenance expenses, cf. section 13 hereof, and for demolition expenses.

15.-(1) For improvement expenses, cf. section 13 hereof, subsidies shall be provided in the form of phase-in assistance to reduce the rent increase resulting from the improvement. During the first year, phase-in assistance shall constitute two thirds of the part of the rent increase exceeding DKK 155 per m² of gross floor area (price level 2004). For the part of the rent

increase amounting to DKK 155 per m² of gross floor area (price level 2004) or less, the local council may provide phase-in assistance that shall not exceed two thirds of such rent increase during the first year.

(2) Phase-in assistance shall be granted for a period of 10 years. After the first year, the phase-in assistance shall be reduced by equal annual shares until such time as the assistance lapses.

(3) Phase-in assistance shall be granted only for reduction of rent increases in dwellings still occupied by the person who was the tenant when the notice of rent increase was given.

(4) When a tenant vacates a dwelling, the part of the assistance relating to the dwelling in question shall lapse. The landlord shall notify the local council of the vacation, cf. the first sentence, as soon as the tenant's notice of termination is received.

(5) Phase-in assistance shall be payable to the owner.

(6) Notice of a rent increase given to the tenants after the completion of the works shall be calculated pursuant to section 58 of the Rent Act with deduction of the phase-in assistance. Scaling down of the phase-in assistance, cf. subsection (2) above, shall be stated in the notice.

(7) The tenants shall not be given notice of subsequent rent increases as a consequence of the adjustment of the phase-in assistance pursuant to subsection (2) above, but such increases shall be implemented by the landlord's written notice to the tenants pursuant to section 63b(2) of the Rent Act.

(8) The first rent increase after the completion of the works, cf. subsection (5) above, shall be approved by the local council for the rent increase to take effect.

16.-(1) The local council may provide a guarantee for development loans including loan costs raised to cover the expenses eligible for subsidies comprised by the commitment, cf. section 10 hereof, to the extent that financing is rendered impossible unless special security is provided for the loan.

(2) The local council may also provide a guarantee for loans for the final financing of rebuilding expenses documented and comprised by the commitment, including loan costs and any debt discounts, to the extent that financing is rendered impossible unless special security is provided for the loan. The guarantee shall only be provided for mortgage loans and loans similar to mortgage loans provided by a bank.

(3) The proceeds of loans for which a guarantee is given shall not exceed the expenses mentioned in subsections (1) and (2) above. The guarantee shall be subject to the loan being provided against mortgage on real property.

(4) The local council may as a condition for giving a guarantee demand that supplementary security be provided for the loan or the guarantee, including in the form of surety or joint and several liability. Where the provider of the loan requires other supplementary security than a local-authority guarantee when the loan is given or later, the provider of the loan shall ensure that the local-authority becomes party to such security to the extent that the guarantee is made effective.

(5) Before a guarantee is provided, the local council shall with a view to ensuring the best possible preferential position of the loans for which a local-authority guarantee is provided consider the extent to which it is acceptable that such loans are to respect prior-ranking loans secured by mortgage on the property.

(6) The Minister for Economic and Business Affairs may lay down specific rules on the local council's provision of guarantee and on reporting local-authority guarantees to the Agency for Governmental Management.

Lapse and repayment of subsidies

17. Where a dwelling for which subsidies are provided under this Part changes status, the phase-in assistance shall lapse in pursuance of section 15(1) hereof.

18.-(1) The local council shall register a declaration on the property concerning terms for full or partial repayment of any cash subsidies for maintenance expenses provided in pursuance of section 14 hereof if the status of subsidised dwellings changes within a fixed term of years of maximum 20 years. Repayment shall be made to the extent that the value of the property increases, so that the new value exceeds the originally fixed value plus an amount corresponding to the trend in property prices for similar properties during the relevant period. In connection with the calculation stipulated in the second sentence above, an amount corresponding to the value increase of the property following further improvement works completed after the completion of the urban renewal works may be added to the value originally fixed. The repayment requirement shall rest upon the person owning the property when the status of the property is changed.

(2) The declaration under subsection (1) above shall also contain conditions for full or partial repayment of any subsidies provided in cash pursuant to section 14 hereof if the property is disposed of before a fixed term of years of maximum 20 years at a price that is higher than the rent or use value calculated for the purpose of determining the subsidies plus an amount corresponding to the trend in property prices during the period in question. In connection with the calculation stipulated in the first sentence above, an amount corresponding to the value increase of the property following further improvement works completed after the completion of the urban renewal works shall also be added. Where the property is sold to a co-owner, spouse or issue, the conditions stipulated in the first sentence above shall not be

required to be met, but shall apply upon the later disposal of the property within the fixed term of years of these persons.

Reimbursement

19.-(1) The local council shall pay expenses for subsidies, phase-in assistance and losses on guarantees pursuant to this Part.

(2) The central government shall reimburse 50 per cent of the local council's expenses pursuant to subsection (1) above, provided that the conditions of section 94(5) hereof have been observed. The central government's reimbursement of losses on guarantees shall be in the form of a counter guarantee.

Complaints

20. The decisions of the local council under this Part cannot be brought before other administrative authorities.

PART IV

Building renewal of owner-occupied dwellings and dwellings in housing cooperatives

Scope of this Part

21. Pursuant to the provisions of this Part, the local council may provide subsidies to:

(i) Owner-occupied dwellings without modern heating or toilets or built before 1950 and in a considerable run-down state and occupied by the owner.

(ii) Dwellings in housing cooperatives without modern heating or toilets or built before 1950 and in a considerable run-down state and occupied by the member.

22.-(1) Subsidies may be provided for renovation of building envelope and to remedy condemnable conditions.

(2) Renovation shall ensure or increase the state of preservation of the exterior building parts.

(3) The local council may only make a decision in pursuance of subsection (1) above if installation deficiencies as stipulated in section 21 hereof, condemnable conditions and safety deficiencies have been remedied or will be remedied no later than in connection with the implementation of the decision.

Application and decision procedure

23. Owners of properties comprised by section 21 hereof may apply for subsidies by submitting a project to the local council.

(2) The local council may require any information about the project, the property and the owner's financial situation relevant to the consideration of the application.

24. The local council shall consider applications submitted and shall make a housing renewal decision on commitment to granting subsidies to the owner, including the amount of such subsidies.

25.-(1) The local council may set architectural, environmental and design conditions for granting subsidies and requirements for the performance of certain works.

(2) The local council shall set deadlines for the completion of the works as well as a deadline for the presentation of housing construction accounts.

(3) The local council shall approve the owner's accounts of expenses eligible for subsidies no later than six months after the owner has submitted satisfactory information facilitating such approval.

(4) Conditions, requirements and deadlines, cf. subsections (1) and (2) above and section 54(1)-(3) hereof, shall be stated in the commitment to granting subsidies pursuant to section 24 hereof.

(5) Provision of subsidies shall be subject to works not being started until the local council has given a commitment pursuant to section 24 hereof.

Subsidies

26.-(1) The local council may provide subsidies in the form of cash subsidies for expenses incurred in the performance of the work outlined in section 22 hereof.

(2) Expenses covered by other subsidies, insurance, discounts or the like shall not form part of the expenses eligible for subsidies. The owner shall notify the local council thereof.

27. In respect of owner-occupied dwellings and dwellings in housing cooperatives, the subsidies shall not exceed one fourth of the expenses eligible for subsidies; but see section 28 hereof.

28.-(1) In respect of listed and preservation-worthy owner-occupied dwellings and dwellings in housing cooperatives, the subsidies shall not exceed one third of the expenses eligible for subsidies.

(2) Through a local-authority plan or a local plan, cf. section 17 of the Act on Listing of Buildings and Preservation of Buildings and Urban Environments, the local council shall determine which buildings are worthy of preservation. Similarly, the Minister for Cultural Affairs may determine

that a building not comprised by section 17 of the Act on Listing of Buildings and Preservation of Buildings and Urban Environments is worthy of preservation; cf. section 19 of the Act on Listing of Buildings and Preservation of Buildings and Urban Environments. Until designation has been made in the planning basis, all buildings shall be considered worthy of preservation if they have been given a preservation value between one and four in the SAVE registration in connection with the preparation of the local-authority atlas or if, following a specific assessment, the local council determines that the building's preservation value is between one and four according to the SAVE system criteria.

29. The local council shall register a declaration on properties which have received subsidies pursuant to this Part concerning the terms of full or partial repayment of any cash subsidies provided in pursuance of this Part in the event that the property is disposed of before a fixed term of years of maximum 20 years at a price that is higher than the fair value calculated for the purpose of determining the subsidies plus an amount corresponding to the trend in property prices during the period in question. In connection with the calculation stipulated in the first sentence above, an amount corresponding to the value increase of the property following further improvement works completed after completion of the urban renewal works may also be added. Where the property is sold to a co-owner, spouse or issue, the terms stipulated in the first sentence above shall not be required to be met, but shall apply upon the later disposal of the property within the fixed term of years of these persons.

Building improvement committee

30. The local council may set up a building improvement committee to exercise the local council's authority in whole or in part pursuant to this Part.

31.-(1) A building improvement committee shall consist of five members and shall be composed as follows:

- (i) two local-authority representatives,
- (ii) two members who safeguard homeowners' interests,
- (iii) one member who safeguards preservation interests.

(2) In connection with the appointment of members, one or more alternates shall be appointed for each member.

(3) The members of the committee and the alternates shall be appointed for a period that follows the local-authority's electoral period.

(4) If appointment is made during an electoral period, one new member or one alternate shall be appointed for the remaining period only.

32. The local council shall lay down the guidelines for the building improvement committee's activities.

33. The secretarial function of the building improvement committee shall be undertaken by the local authority.

Payment and reimbursement

34.-(1) The local council shall pay expenses for subsidies granted pursuant to this Part.

(2) The central government shall reimburse 50 per cent of the local council's expenses pursuant to subsection (1) above, provided that the conditions of section 94(5) hereof have been observed.

Complaints

35. The decisions of the local council under this Part cannot be brought before other administrative authorities.

PART V

Building renewal of businesses

Buildings comprising businesses and dwellings

36.-(1) In connection with a decision on building renewal in pursuance of Parts III or IV hereof, the local council may include subsidies to business premises in the building covered by the decision on building renewal.

(2) The provision of subsection (1) above shall not apply to business premises located in publicly owned buildings or where the public authorities have a considerable say in the building's operation.

37.-(1) Subsidies may be provided for renovation of the business premises' building envelope.

(2) Determination of subsidies for rented business premises shall be made pursuant to the provisions of sections 12-14, 16, 18 and 19 hereof.

(3) Determination of subsidies for business premises holding a status as an owner-occupied flat or a cooperative dwelling shall be made pursuant to the provisions of sections 26-29 and 34 hereof.

Rebuilding of private business into rental properties

38.-(1) The local council may make a decision to provide subsidies to cover the expenses of rebuilding private business premises into rental properties if the business is shut down and the building is deemed suitable for rebuilding within a reasonable financial framework. For buildings without dwellings or where dwellings constitute a minor part, it shall be a further condition that the building is considered worthy of preservation. This provision shall not

apply to business premises located in publicly owned buildings or where the public authorities have a considerable say in the building's operation.

(2) The application and decision procedure shall take place pursuant to the provisions of sections 23-25 hereof and the determination of subsidies as well as financing and reimbursement shall be provided pursuant to sections 26-29 and 34 hereof.

PART VI

Recreational areas

Scope of this Part

39.-(1) The local council may in relation to several properties make a decision to establish common recreational areas and common premises in the recreational area, including in relation to non-dwelling properties, when deemed necessary to establish satisfactory recreational areas and to ensure the maintenance and operation of such areas. A decision pursuant to the first sentence above may involve demolition of buildings.

(2) A decision to establish common recreational areas and common premises for several properties under subsection (1) above shall only to a limited extent comprise properties built after 1 January 1950 and properties comprising dwellings for which a commitment has been made to granting public subsidies in pursuance of the construction subsidy, residential hall subsidy, housing construction, housing for the elderly or social housing legislation or which have been approved pursuant to section 67(1)(viii) of the former Act on Housing Construction, cf. Consolidation Act No. 663 of 8 August 2002, as amended by Act No. 406 of 28 May 2003.

40. The decision may include the following measures:

(i) Clearing, including demolition of sheds and fences, taking up of worn-out surfacing, etc., as well as subsequent repairs occasioned by the clearing. The necessary extent of clearing shall be determined by the local council following a specific assessment.

(ii) Modest construction work in the form of repairs of building parts that border directly on the common recreational area. The necessary extent of the construction work shall be determined by the local council following a specific assessment. The expenses of such work shall not exceed the subsidies as calculated according to section 47(1)(ii) hereof. No subsidies shall be granted pursuant to section 47 hereof for construction work if other public subsidies are granted for the same work.

(iii) Establishment and furnishing of the common recreational area, including the establishment of common premises within the financial allocation calculated pursuant to section 47(1)(iii) hereof.

(iv) Establishment of a waste sorting system in accordance with the local authority's planning of waste disposal. The expenses of a waste sorting system, including the establishment of mobile suction installations shall be paid via subsidies pursuant to section 47(1)(iii) hereof.

Decision procedure, etc.

41.-(1) The local council may prepare proposals for common recreational areas and common premises on behalf of the owners in cooperation with owners, tenants and members of housing cooperatives.

(2) The local council shall notify owners, members of housing cooperatives and tenants of the properties affected of the content of the project proposal in writing.

(3) The local council's notification shall contain information about the provisions of subsection (4) below and section 42 hereof.

(4) Owners, members of housing cooperatives and tenants may make written objections to the project proposal or parts thereof and make proposals for amendments to the project proposal before a deadline set by the local council.

42.-(1) The local council may adopt the proposal after the expiry of the deadline set pursuant to section 41(4) hereof. The local council shall notify owners, members of housing cooperatives and tenants of the properties affected of the adoption of the proposal and deadlines for the completion of the works.

(2) Subject to agreement, the local council may leave the completion of the works to the owners and commit itself to granting subsidies under this Part.

43.-(1) When a project on common recreational areas and common premises has been adopted, the local council shall attach the necessary easements concerning the designation of common recreational areas and the establishment of common areas for the buildings in the area and the performance of future maintenance and operation of the relevant common areas on the properties comprised by the project. The easements shall be binding on the owners and owners of other rights to the property regardless of when such rights were established. The local council shall register the easements on the properties.

(2) Any attachment of easements under subsection (1) above shall be communicated in writing to the owners. Mortgagees and other rights holders, whose rights are registered in the Land Registry, shall also be informed thereof in writing. The notification of the owners shall include information about the provisions of section 44 hereof.

44. In the event that an attachment of an easement pursuant to section 43 hereof or the value of demolished buildings exceptionally does not

correspond to the value of the publicly subsidised improvement of the recreational area, the owner shall receive compensation for his loss.

45.-(1) The local council may demand that private buildings be assigned in whole or in part against compensation. Assignment pursuant to the first sentence above may only take place for the purpose of demolishing the building and only if such demolition is necessary to implement a decision to make a recreational area; cf. section 39 hereof. The local council may also demand that private rights to properties be assigned against compensation. Assignment pursuant to the third sentence above may only take place if it is necessary in order to implement a decision to make a recreational area; cf. section 39 hereof.

(2) The owner and others whose rights to the property are registered in the Land Registry or of which the local council is aware shall be informed of assignment requirements pursuant to subsection (1) above. The local council shall register a decision on assignment under subsection (1) above on the property.

(3) When the local council demands assignment of buildings or rights pursuant to subsection (1) above and the remaining part of the property will attain such a form, location or state that renders it unfit as an independent property for its previous use, the owner may demand that the entire property be taken over against compensation.

46.-(1) Claims for compensation pursuant to section 45(1) hereof shall be determined by the compensation authorities mentioned in the Act on Public Roads.

(2) The owner's claim for the entire property to be taken over pursuant to section 45(3) hereof shall be made to the compensation authorities referred to in the Act on Public Roads within four weeks of a request for assignment pursuant to section 45(1) hereof having been made to the owner or the urban renewal board having made a decision to this effect.

(3) The provisions of section 51(2)-(4) and (7) and sections 52-56, 63, 64, 66, 67 of the Act on Public Roads shall apply correspondingly as concerns the compensation authorities' hearing of the claim and the determination and payment of compensation.

(4) Matters reviewed by the compensation authorities cannot be brought before the courts before the superior compensation commission has made a decision. Legal proceedings shall be taken within six months of the superior compensation commission's decision having been communicated to the person in question.

(5) Legal proceedings shall be brought before the court under whose jurisdiction the property belongs.

Subsidies for improvement of common recreational areas

47. - (1) Subsidies for improvement of common recreational areas pursuant to section 40 hereof shall be granted as follows:

(i) Expenses for clearing and subsequent repairs, cf. section 40(i) hereof, shall be covered by subsidies.

(ii) Expenses for modest construction work as mentioned in section 40(ii) hereof shall be covered by a subsidy that shall not exceed 30 per cent of the financial allocation for establishment and furnishing.

(iii) Expenses for establishment and furnishing of the common recreational area and establishment of common premises shall be covered within a financial allocation comprising housing unit subsidies and area subsidies to be calculated as follows:

(a) The housing unit subsidy shall constitute DKK 2,420 per housing unit.

(b) The area subsidy shall constitute DKK 840 per m² for a recreational area between 0 and 2,000 m² and DKK 220 per m² for a recreational area exceeding 2,000 m².

(2) The financial allocation for establishment and furnishing works shall be adjusted according to the adjustment index for housing constructions of 1 July 2003 (index 172.8) until the expenses for the works performed reach their peak.

(3) Acceptance of supplements to the financial allocation under subsection (1)(iii) above shall be subject to the local council's specific assessment in the event that special and extraordinary circumstances concerning the area in question apply and if such circumstances cause considerable additional expenses. In addition, the local council may accept modest expenses for remedial measures taken as a consequence of soil contamination.

Payment and reimbursement

48. -(1) Expenses for compensation and subsidies under this Part shall be payable by the local council.

(2) The central government shall reimburse 50 per cent of the expenses incurred by the local council pursuant to subsection (1) above.

Complaints, etc.

49. -(1) Local council decisions made pursuant to sections 39-42 and 45(1) hereof may be referred to the urban renewal board by the owner or at least one fourth of the tenants affected by its decisions; but see subsection (2) below.

(2) Local council decisions pursuant to subsection (1) above shall only be referred to the urban renewal board if the decision concerns matters relating to the interpretation of this Act or a provision laid down in pursuance hereof.

Referral may also be allowed if, in the opinion of the urban renewal board, the decision is of common interest or has far-reaching ramifications for the complainant.

(3) The local council shall notify the persons entitled to complain of the decisions against which a complaint may be made pursuant to subsections (1) and (2) above. Such notification shall include information about the access to complain and the deadline for filing complaints; cf. section 87(1) hereof.

50. The owner may bring a decision on the amount of compensation pursuant to section 44 before the compensation authorities referred to in the Act on Public Roads within six weeks of the local council's decision on compensation having been communicated to the owner.

PART VII

The Danish Building Defects Fund regarding building renewal

Appointment of the Fund's governing board

51.-(1) The Building Defects Fund is an independent institution that provides financial assistance for the repair of defects caused during rebuilding, etc., in connection with building renewal under this Act.

(2) The Fund shall be managed by a governing board consisting of five members. The governing board shall be appointed by the Minister for Economic and Business Affairs on the basis of proposals from the organisations and authorities mentioned in subsection (3) below.

(3) Local Government Denmark and national organisations of homeowners' associations, private housing cooperatives and tenants' associations shall each propose one member for the Fund's governing board. The City of Copenhagen and the City of Frederiksberg shall jointly propose one member.

(4) Deputies shall be appointed and proposed according to the provisions of subsections (2) and (3) above. The governing board and deputies shall be appointed for a term of four years. In the event that appointment is made during a period, such appointment shall only run until the end of the period.

(5) The Minister for Economic and Business Affairs shall approve the Fund's by-laws.

(6) The Fund shall provide any information about its activities to the Minister for Economic and Business Affairs on demand.

52.-(1) The Houseowners' Investment Fund may from its interest income

(i) offer loans to the Building Defects Fund during the establishment and set-up phase at an interest rate determined by the governing board of the Houseowners' Investment Fund and

(ii) provide guarantee for the Building Defects Fund's expenses for covering defects comprised by section 51(1) hereof on the basis of an agreement to this effect between the Houseowners' Investment Fund and the Building Defects Fund to be approved by the Minister for Social Affairs.

(2) The Houseowners' Investment Fund may only undertake obligations under subsection (1) above within the allocation amount fixed in section 61(1) of the Act on Temporary Regulation of Housing Conditions.

Scope

53.-(1) The scope of the Fund shall comprise:

(i) Complete rebuilding works, but see subsection (2) below, performed pursuant to this Act with the exception of Part VI hereof, regardless of the scope and nature of public subsidies.

(ii) Repair work performed with financial assistance from the Fund pursuant to the provisions of this Part.

(2) The scope of the Fund shall not comprise minor rebuilding.

(3) The Fund shall provide financial assistance to cover up to 95 per cent of the owner's expenses for repair of building defects. The Fund's assistance shall be exclusive of any amounts for which the owner is entitled to coverage from an insurance company or a tortfeasor.

(4) Financial assistance from the Fund may also be provided for repair of defects reported to the Fund within 20 years of the work's completion.

(5) The Minister for Economic and Business Affairs shall lay down specific rules on

(i) the matters mentioned in subsections (2)-(4) above,

(ii) the matters mentioned in section 54(1)-(4), (6) and (7) hereof,

(iii) the Fund's administration, accounts and auditing thereof.

(6) The Minister for Economic and Business Affairs may also lay down specific rules governing the Fund's right of recourse in connection with subsequent transfer of properties that have been rebuilt pursuant to the provisions of this Act with the exception of Part VI hereof.

Registration, quality assurance and operating and maintenance plans, etc.

54.-(1) The owner shall as a condition for receiving subsidies under this Act arrange for the registration of the state of the building before rebuilding pursuant to this Act is commenced, but see section 53(2) hereof.

- (2) The owner shall as a condition for receiving subsidies under this Act place the necessary demands on the other parties of the construction work in respect of quality assurance in connection with the rebuilding; but see section 53(2) hereof.
- (3) Subsidies shall be conditional upon the owner preparing an operating and maintenance plan for the entire building before a deadline set by the local council.
- (4) The owner shall observe the plan mentioned in subsection (3) above and keep the buildings covered by the plan in a proper state. The owner shall revise the operating and maintenance plan mentioned in subsection (3) above every fifth year. The operating and maintenance plan shall be submitted to the local council, which shall ensure that it is observed. After the operating and maintenance plan has been revised twice, the local council may decide that the owner no longer has to submit a revised plan to the local council. The owner shall at the request of the tenant give the tenant or his agent access to review the plans mentioned in the first and second sentences above on the property or another place in the relevant urban area.
- (5) The local council shall refer matters to the rent tribunal concerning violation of the plans mentioned in subsections (3) and (4) above which the local council finds important in order to keep up the building's standard of maintenance. Furthermore, disputes regarding the owner's compliance with the plans mentioned in subsections (3) and (4) above may be referred to the rent tribunal by at least one fourth of the tenants or, in properties with tenants' representation pursuant to the Rent Act, by the tenant representatives of the relevant property. Section 22(3) of the Act on Temporary Regulation of Housing Conditions shall apply correspondingly to the rent tribunal's decision of whether the plans mentioned in subsections (3) and (4) above have been observed. Section 60 of the Act on Temporary Regulation of Housing Conditions shall be applied to the Houseowners' Investment Fund's performance of works comprised by the plans mentioned in subsections (3) and (4) above.
- (6) The Building Defects Fund shall be in charge of and pay the expenses related to the performance of inspection of the building with a view to assessing the building's condition and registering any defects. The Fund may divide the inspection into two inspections to be held one and five years after the completion of the individual construction work under the Fund.
- (7) The owner shall notify the Fund of any information necessary for the Fund's administration pursuant to this Part.

Contributions to the Building Defects Fund

55.-(1) Contributions to the Fund shall constitute 1.5 per cent of the total rebuilding expenses for works completed pursuant to this Act with the exception of Part VI, regardless of the scope and nature of public subsidies. The contribution shall be payable by the local council to the Fund once the rebuilding accounts have been approved.

(2) No contribution shall be payable for works performed with financial assistance from the Fund; cf. section 53(1)(ii) hereof.

(3) The Fund may impose an extraordinary contribution on the owners of all properties comprised by the scope of the Fund if deemed necessary to cover the Fund's expenses and as determined by the Minister for Economic and Business Affairs.

(4) In the event that contributions pursuant to subsections (1) and (3) above have not been paid in due time, interest corresponding to the interest fixed pursuant to section 5(1) and (2) of the Act on Interest on Late Payment, etc., shall accrue from the due day.

(5) Collection of contributions pursuant to subsection (3) above and interest due to late payment of such contributions pursuant to subsection (4) above shall be undertaken by the local council of the local authority in which the property is located. The local council shall be given a right of distraint in relation to contributions and interest.

56.-(1) The Fund's share of the expenses for the repair of building defects may as determined by the Fund be financed in whole or in part through the raising of mortgage loans and loans similar to mortgage loans provided by a bank secured by a mortgage on the property where the building defect has occurred. The term of the loans shall not exceed 30 years. The Fund shall pay all gross repayments on any mortgage loans raised; cf. the first and second sentences above.

(2) The local council shall provide a guarantee for the raising of loans pursuant to subsection (1) above.

(3) The Fund shall reimburse the local authority for any losses resulting from the provision of the guarantee.

57.-(1) The local council shall pay expenses for contributions to the Building Defects Fund.

(2) The central government shall reimburse 50 per cent of the local council's expenses pursuant to subsection (1) above, provided that the provision of section 94(5) hereof has been observed.

PART VIII

Alternative accommodation, etc.

Termination of tenancies

58.-(1) The landlord may terminate a tenancy when a dwelling or a business premise is to be vacated as a result of a decision made in pursuance of this Act; but see section (2) below. The time of vacation shall be determined upon agreement between the local council and the owner.

(2) The landlord shall terminate the lease after the time for vacation has been agreed. Termination pursuant to this Act shall not be made until six months before the tenant is to vacate the premises. Notwithstanding an agreement to the contrary, termination may be made at three months' notice. In the event that continued use will involve obvious health and fire hazards, cf. section 76 hereof, termination may be given at less than three months' notice.

(3) Termination pursuant to subsection (2) above shall be made in writing and contain information about vacation of the premises, cf. subsection (1) above, and about access to object pursuant to subsection (4) below. Where the premises are being used for a purpose other than for residential purposes, the notice of termination shall also inform the tenants that tenant rights under section 66(1)-(5) of the Commercial Leases Act, etc. apply correspondingly in connection with termination under this Act and about the contents of these rights. The notice of termination shall also inform the tenant that any claim for compensation and indemnity made by the tenant shall be directed at the local council; cf. section 69(1) of this Act. The notice of termination shall be invalid if it does not include the information mentioned in this section.

(4) If a tenant of a dwelling submits a written objection to the termination no later than six weeks after having received the notice of termination pursuant to subsection (2) above, the landlord shall refer the termination to the urban renewal board no later than six weeks after the expiry of the tenant's deadline if the landlord wants the termination to be upheld. Section 65(2) of the Commercial Leases Act, etc., shall apply correspondingly if the premises are being used for a purpose other than for residential purposes.

59.-(1) Termination under section 58(1) hereof shall lapse if the landlord does not implement the decision on building renewal to which the local council has committed itself to granting subsidies.

(2) If a tenancy agreement comprised by Part II-IV of the Act on Temporary Regulation of Housing Conditions is terminated pursuant to this Act, section 5(1) of the Act on Temporary Regulation of Housing Conditions shall apply when the dwelling is re-let for the first time.

60.-(1) Where a dwelling is let after the local council has notified the landlord that the dwelling must be vacated pursuant to section 58 hereof, or that section 61(2) hereof may be applied, the tenant shall not be entitled to alternative accommodation pursuant to section 61 hereof unless a notice of vacation or a rent increase is not given at least two years after the commencement of the tenancy.

(2) The landlord shall notify the tenant in writing of the rules of subsection (1) above before the tenancy agreement is concluded. Should the landlord fail to observe this duty of disclosure, the tenant shall be entitled to claim compensation from the landlord.

(3) Notwithstanding an agreement to the contrary, the landlord may terminate a tenancy agreement comprised by subsections (1) and (2) above giving one month's notice.

Permanent rehousing

61. -(1) The local council shall allocate another dwelling to a household when a dwelling is to be vacated due to a decision made under this Act. This right shall be accorded to tenants of dwellings and tenants of single rooms who are protected against termination under the Rent Act. For members of housing cooperatives and residents who own their own dwelling, this right shall only apply if the dwelling is to be vacated due to a decision pursuant to Part VI or IX of this Act. The right to have alternative accommodation allocated shall arise when a decision is made as mentioned in the first and third sentences above but not until six months before the time of vacation.

(2) The tenant of a dwelling or a rented single room, who pursuant to the Rent Act is protected against termination, shall be entitled to alternative accommodation if rebuilding of the dwelling or property under this Act entails a rent increase which together with rent increases for improvements made in the past three years and without deduction of phase-in assistance pursuant to section 15 hereof will exceed DKK 155 per m² of gross floor area (price level 2004). The amount shall be adjusted annually according to the change in Statistics Denmark's net price index over a 12-month period ending in June the year before the fiscal year to which the adjustment relates. The amount shall be rounded off to the nearest whole amount in DKK. The Minister for Economic and Business Affairs may lay down specific rules on the calculation of rent.

62.-(1) A household being allocated alternative accommodation under section 61 hereof shall hold a preferential right to dwellings allocated in the same neighbourhood as the vacated dwelling or in an adjacent neighbourhood.

(2) The alternative accommodation allocated shall have either one room more than the number of household members or the same number or rooms as the previous dwelling unless the said dwelling was occupied by more than two persons per room. The quality, furnishing and location of the dwelling shall be appropriate.

(3) A household offered alternative accommodation observing the requirements of subsection (2) above shall be entitled to reject the alternative accommodation offered once and be offered another alternative accommodation in its place.

(4) A household to which alternative accommodation has been allocated shall be entitled to another offer until two years after such allocation. The household shall hold a preferential right to dwellings allocated in the household's old neighbourhood.

(5) The offer of alternative accommodation shall comprise information about the household's access to object and information about the deadline for submitting objections; cf. subsection (6) below. Should the offer of alternative accommodation not include this information, the six-week deadline shall not begin until the local council's information about the household's access to make objections and the deadline for such objection has reached the household.

(6) In the event that the household does not find the alternative accommodation offered by the local council appropriate, the household shall make an objection to this effect to the local council at least six weeks after the offer was made to the household. If the local council refuses to accept the household's rejection of the alternative accommodation offered and maintains that the alternative accommodation offered is appropriate, cf. subsection (2) above, the local council shall refer the matter to the urban renewal board no later than six weeks after the household's rejection has been received.

Temporary rehousing

63.-(1) Where a rental dwelling is to be vacated as a consequence of a decision made under this Act but will be habitable again within a period of maximum six months, the local council may demand that the household takes over a different dwelling temporarily. The same shall apply if a dwelling in a housing cooperative or a dwelling occupied by the owner is to be vacated due to remediation of condemnable conditions. The landlord may not terminate the tenancy agreement. In special cases and if accepted by the household, temporary rehousing may be extended until a maximum of 12 months.

(2) The local council shall allocate a temporary dwelling pursuant to subsection (1) above. The temporary alternative accommodation shall include at least one room for every two persons in the household. The dwelling may be located outside the local-authority area if the household agrees. Stay at a hotel or similar may constitute temporary alternative accommodation.

(3) The household shall pay the rent of the previous dwelling; for tenants, not more than the rent before the vacation. The local council shall pay the rent of the temporary alternative accommodation. Where the rent of the temporary alternative accommodation is lower than the rent of the previous dwelling, the local council shall pay the difference.

Provision of dwellings for local-authority allocation

64.-(1) The local council may decide that social housing organisations with divisions in the local-authority area shall make every third vacant dwelling in these divisions available as alternative accommodation pursuant to sections 61 and 63 hereof.

(2) The local council may decide that owners of private rental properties with at least six dwellings shall make up to every third vacant dwelling available as alternative accommodation pursuant to sections 61 and 63 hereof. Dwellings of which the owner intends to make legal use, and dwellings where the owner otherwise has a reasonable reason for rejecting to make them available as alternative accommodation pursuant to sections 61 and 63 hereof shall not be included when the number of vacant dwellings is made up.

(3) The local council may decide that for up to five years of having received subsidies owners of private rental properties who have received subsidies for building renewal under Part III shall make available every fourth dwelling to the local council to solve urgent social problems in housing in the local-authority area.

(4) The local council may only make a decision pursuant to subsections (1) and (2) above if it also decides that half of the vacant dwellings in the local authority's own properties shall be made available as alternative accommodation pursuant to sections 61 and 63 hereof.

(5) If the need for dwellings for local-authority allocation can be limited to a specific period or to a shorter period than mentioned in subsection (3) above, the local council's decision pursuant to subsections (1), (2) and (4) above may be limited in time or be limited to a shorter period than mentioned in subsection (3) above. The local council may also exempt specific neighbourhoods or areas in the local-authority area from the obligation of subsections (1)-(4) above if it finds that no need exists for using dwellings in such areas as alternative accommodation pursuant to sections 61 and 63 hereof or if warranted by social considerations.

(6) Dwellings in rebuilt properties where a dwelling has become vacant following termination pursuant to section 58 hereof or where alternative accommodation has been allocated to a household pursuant to section 61(2) hereof shall be made available as alternative accommodation pursuant to sections 61 and 63 hereof in connection with the first letting. This shall not apply to dwellings adapted to elderly and disabled persons and other persons with special social needs.

(7) The local council may decide that tenancies for dwellings that become vacant before the time of vacation shall be taken over by the local authority.

65.-(1) On making up dwellings pursuant to section 64(1)-(4) hereof, dwellings assigned to janitorial staff and dwellings assigned by exchange or assigned to applicants who already have a dwelling in the same property shall be disregarded; cf. subsection (5) below. Dwellings immediately connected with business premises and let in connection therewith shall also be disregarded.

(2) Notwithstanding provisions in by-laws or easements to the contrary, the duty to make dwellings available as alternative accommodation under section 64(1), (2) and (4) hereof shall apply but shall be conditional upon the

tenant being allocated a dwelling complying with the special terms and conditions applying to assignment of such dwellings. The duty to make dwellings available under section 64(3) hereof shall apply only to the extent that current tenants' rights are not disregarded.

(3) An owner cannot be obligated to let a dwelling pursuant to section 64 hereof if the circumstances of the tenant to whom a dwelling is allocated or his household or other special circumstances make it reasonable to reject such letting.

(4) The owner's duty pursuant to section 64(1) and (2) hereof shall be considered as observed to the extent that the owner has made an agreement with the local council or an advisor appointed by the local council stipulating that the local council or its advisor may within a certain period have the disposal of dwellings as alternative accommodation in a number that at least corresponds to the number stated in section 64(1) and (2) hereof. The agreement between the owner or the advisor shall be communicated to the local council by the owner.

(5) Where several properties belonging to the same owner are constructed consecutively as one building and where such properties have a common recreational area or any kind of joint operations, the duty pursuant to section 64(2) hereof shall be calculated for the entire property.

66.-(1) A decision made by the local council pursuant to section 64 shall be published in the Danish Official Gazette and otherwise in a manner that is usual for the local authority. After a deadline set by the local council, which must be at least three months of the publication in the Danish Official Gazette, the landlord shall report up to every third and every fourth vacant dwelling, respectively, cf. sections 64 and 65 hereof, which has so far been used entirely or partially for residential purposes, to the local council. The report shall include information about the location, size and furnishing of the dwelling and the amount of rent and be submitted at least two weeks after the lease agreement on the dwelling has been terminated or after the landlord has otherwise learnt that the dwelling is or will become vacant.

(2) The local council shall notify the landlord if it wants to use a dwelling for local-authority allocation no later than two weeks after it has received the report from the landlord. The local council shall pay any rent losses incurred by the landlord in connection with the allocation.

(3) A landlord shall be free to let a dwelling that has been reported in time if the local council fails to inform the landlord of its intention to allocate the dwelling within two weeks of the report having been made.

(4) The local council shall be entitled to have applicants to whom the local council has allocated a dwelling occupy the dwelling and have a tenant whose tenancy has been concluded in contravention of the provisions of this Part evicted from the dwelling with the assistance of the bailiff's court.

Subsidies

67.-(1) A tenant of a dwelling, who pursuant to section 61 hereof is entitled to alternative accommodation and to whom alternative accommodation has been allocated, shall have a right to subsidies in the form of phase-in assistance from the local council in order to reduce the rent of the alternative accommodation allocated. Phase-in assistance shall be provided for a period of 10 years. During the first year, the phase-in assistance shall constitute two thirds of the difference between the previous rent and the rent of the alternative accommodation allocated. After the first year, the phase-in assistance shall be reduced by equal annual shares until such time as the assistance lapses.

(2) Subsection (1) above shall apply correspondingly if a tenant, who pursuant to section 61 hereof is entitled to alternative accommodation, finds another rental dwelling himself. It is a precondition that the local council finds the dwelling appropriate considering the household's financial situation and family circumstances.

68.-(1) Households, to which the local council has a duty to allocate alternative accommodation, cf. sections 61 and 63 hereof, shall be entitled to reimbursement of their moving expenses. The expenses shall be payable by the previous local authority of residence.

(2) Where a household as mentioned in subsection (1) above offers to find another dwelling, the local council may offer to provide reasonable reimbursement. Reimbursement shall not be provided before a decision has been made pursuant to this Act and shall be payable when documentation has been submitted showing that the household has found another suitable dwelling.

69.-(1) A tenant carrying on business from premises to be vacated pursuant to section 58 hereof shall be entitled to compensation and reimbursement pursuant to the provisions of section 66(1)-(5) of the Commercial Leases Act. The tenant's claim for compensation and reimbursement shall be directed at the local council. Where tenancy agreements on dwellings partially serving a purpose other than residential purposes are terminated, the tenant's claim for compensation pursuant to section 89(1) and (2) of the Rent Act shall also be directed at the local council. The first and second sentence shall apply correspondingly for business operators, who pursuant to section 71(1) hereof acquire new premises themselves.

(2) The tenant shall not vacate the premises before at the tenant's request the local council has made advance payment of compensation and reimbursement within the amounts which the local council finds suitable for compensation and reimbursement.

(3) In connection with its decision to pay compensation and reimbursement pursuant to subsections (1) and (2) above, the local council shall notify the tenant of the deadline for bringing a case before the housing tribunal mentioned in section 74(2) hereof.

70. If the magnitude of the rebuilding work makes it impossible to operate a business from rented premises while the work is underway, but the work can be performed without the premises having to be vacated pursuant to section 58 hereof, the tenant shall be entitled to receive compensation for consequential loss during the period in which the business cannot be operated and be entitled to coverage for losses on stocks and furniture, storage costs and reasonable costs of expert assistance. The tenant's claim for compensation shall be directed at the local council.

71.-(1) If a tenant of business premises to be vacated pursuant to section 58 hereof obtains other premises that can be taken over prior to the time set for vacation of the previous premises, the local council may offer reasonable reimbursement which shall not exceed the rent of the previous premises from the time of actual vacation to the time set for vacation. Reimbursement shall not be provided before the local council has committed itself to granting subsidies, cf. section 10, and shall only be payable when documented that the tenant has obtained other premises.

(2) The local council may decide that the tenancy of premises that become vacant pursuant to subsection (1) above shall be taken over by the local authority.

72.(1) A tenant of business premises to be vacated pursuant to the provisions of this Act shall be entitled to a local-council contribution corresponding to 75 per cent of the difference between reasonable rent for the premises to which the company moves and the rent for the previous premises. In connection with the calculation of reasonable rent, deductions shall be made to the extent that the new premises by their size or layout present a considerable improvement for the company compared with the previous premises.

(2) After the first year, the contribution shall be reduced by 20 per cent annually of the contribution of the first year.

(3) The contribution shall not be granted before the local council has committed itself to granting subsidies; cf. section 10.

(4) The subsidy shall be rounded off to the nearest whole amount in DKK dividable by 12.

Reimbursement

73. The central government shall reimburse 50 per cent of the expenses incurred by the local council in connection with the provision of alternative accommodation as well as subsidies, compensation and reimbursement under this Part provided that the conditions of section 94(5) hereof are met.

Complaints and bringing matters before the housing tribunal

74.-(1) Local council decisions made pursuant to section 64(2), second sentence, section 65(1)-(3) and section 67(2), second sentence, may be

referred to the urban renewal board if the decision concerns matters on interpretation of this Act or a provision laid down in pursuance hereof. The board may also hear complaints if, in the opinion of the urban renewal board, the decision is of common interest or has far-reaching ramifications for the complainant.

(2) In the event of disagreement on the local council's decisions on compensation and reimbursement pursuant to sections 69 and 70 hereof, the tenant shall bring the matter before the housing tribunal no later than six weeks after the tenant has received the decision.

(3) Local council decisions pursuant to section 67(1), and sections 68, 71 and 72 hereof cannot be brought before other administrative authorities.

PART IX

Condemnation of dwellings or rooms constituting a health and fire hazard

Local council inspection

75.-(1) The local council shall according to guidelines laid down by itself; but see subsection (6) below, inspect properties used for residential and other purposes when assessed that due to their location, fitting-out or other conditions these properties constitute a health or fire hazard.

(2) In the assessment of whether the use of dwellings and rooms constitutes a health hazard, special consideration shall be given to whether the dwellings or rooms in question deviate significantly from one or more of the minimum requirements mentioned in subsections (3) and (4) below.

(3) All dwellings and rooms shall

(i) provide satisfactory protection against moisture, coldness, heat and noise;

(ii) have satisfactory access to daylight;

(iii) have proper access to ventilation in general through one or more windows that opens directly to the open air;

(iv) have access to sufficient heating; and

(v) have satisfactory physical indoor conditions.

(4) In addition to the minimum requirements of subsection (3) above, all dwellings shall

(i) have access to proper and sufficient drinking water;

(ii) have proper sewage disposal for waste water; and

(iii) have satisfactory access to a toilet.

(5) In the assessment of whether persons who stay in a building are exposed to a fire hazard, special consideration shall be given to the method of building and the fitting-out of the individual dwellings and rooms as well as the means of access.

(6) The Minister for Economic and Business Affairs may lay down rules for the local council's inspection.

Condemnation

76.-(1) Where the use of the building is assessed to constitute a health or a fire hazard, cf. section 75(1)-(5) hereof, the local council may prohibit the building or part thereof from being used for residence or other use for people (condemnation). At the same time, the local council shall set a deadline for vacation and clearing of the dwellings and rooms in question.

(2) The deadline shall not exceed six months where continued use is assessed to be connected with an imminent danger and shall generally not exceed 15 years. A prohibition may be limited so that the present users can continue their previous use for at certain term of years or until they vacate the premises or die if very special circumstances exist, especially in cases where the entity being condemned constitutes a small part of a building or the individual functional unit of the building.

(3) Prohibition pursuant to subsection (1) above, which shall include information about the access to complain, cf. section 83 hereof, shall be communicated in writing to the owner, tenants and any mortgagees whose rights are registered in the Land Registry. The owner and the tenants shall also be given information about the rules for obtaining alternative accommodation and about subsidies for payment of rent, lease premium, etc. In connection with condemnation of dwellings comprised by section 78 hereof, the local council shall inform the tenants of the rules for obtaining subsidies pursuant to section 78 hereof.

(4) The notification of the owner, cf. subsection (3) above, shall also include a description of the conditions justifying the condemnation and information about the rules in subsections (7)-(9) below and section 79 hereof.

(5) The local council shall register prohibitions pursuant to subsection (1) above on the property at the same time as it informs the persons mentioned in subsection (3) above. The prohibition registered, of which the owner must receive a copy, shall include information about the fact that the possibility of mortgaging is limited pursuant to subsections (7)-(9) below.

(6) Prohibitions pursuant to subsection (1) above shall be respected by the property's owners and others holding rights to the property regardless of when such rights were established.

(7) A property on which a prohibition has been registered pursuant to subsection (1) above shall not be mortgaged or re-mortgaged in excess of the property's land value; but see subsections (8) and (9) below.

(8) Subject to the local council's consent, subsection (7) above may be dispensed with

(i) if only a small part of the property is condemned; or

(ii) if an approved proposal for rebuilding exists; cf. section 79 hereof.

(9) Subsection (7) above shall not apply to loans raised to remedy conditions justifying the condemnation; cf. section 76(4) hereof.

(10) If the owner fails to clear the condemned dwellings or rooms before the fixed deadline, the local council may arrange for the clearing to be done at the owner's expense.

Barring and demolition

77.-(1) At the same time as or after a prohibition has been made pursuant to section 76(1) hereof, the local council may order the owner before a set deadline to have the condemned premises not in use properly barred or take the necessary measures to ensure that no unauthorised persons take possession of the property provided that the property has been fully or partially cleared pursuant to section 76 hereof.

(2) At the same time as or after a prohibition has been made pursuant to section 76(1) hereof, the local council may order the owner, before a set deadline, to have the building or part thereof demolished and the site cleared. Where the prohibition relates to residence only and where other use of the condemned premises is legal or cannot be prevented by other legislation, the order to demolish shall only take effect if, prior to the expiry of a deadline set by the local council after the entry into force of the prohibition, the owner fails to have the condemned premises transfer to other legal use.

(3) Orders to bar, install measures to ensure that no unauthorised persons take possession of the property or demolish shall be communicated in writing to the owner and the tenants whose tenancies are comprised by the order. Orders to demolish shall also be communicated in writing to the mortgagees whose rights are registered in the Land Registry. The order shall include information about the access to complain; cf. section 83 hereof.

(4) Condemnation pursuant to section 76 hereof shall not give access to compensation.

(5) In connection with orders to demolish, the owner shall be entitled to full compensation with deduction according to the general principles of tort law of any financial advantages caused by the demolition and to have covered reasonable expenses for the demolition of the building and clearing of the site. The owner shall not be entitled to such compensation where demolition

is ordered because the condemned property is a nuisance to the neighbours or others staying or living nearby after the entry into force of the prohibition.

(6) Compensation shall be determined by the compensation authorities mentioned in the Act on Public Roads pursuant to the provisions of section 51(2)-(4) and (7) and sections 52-56, 63, 64, 66 and 67 of the Act on Public Roads. Matters reviewed by the compensation authorities cannot be brought before the courts until the superior compensation commission has made a decision. Proceedings shall be taken within six months of the superior compensation commission's decision having been communicated to the complainant. Proceedings shall be brought before the court under whose jurisdiction the property belongs.

(7) Neighbouring owners to condemned premises shall be entitled to have covered reasonable expenses for the reestablishment of their property. The part of the reasonable reestablishment expenses for neighbouring properties which the owner of a building for which a demolition order has been issued is not obligated to pay, cf. subsection (5) above, shall be covered by the local council. The local council may intervene in an action to this effect.

(8) In the event of non-compliance with orders to bar, install measures to ensure that no unauthorised persons take possession of the property or demolish pursuant to subsections (1) and (2) above before the set deadline, the local council may have such measures performed. Demolitions ordered because the condemned property is a nuisance to the neighbours or others staying or living nearby after the entry into force of the prohibition as well as barring and measures to ensure that no unauthorised persons take possession of the property shall be executed at the owner's expense.

Subsidies

78.-(1) Upon application, owners of owner-occupied housing and housing cooperatives, properties owned by a public or private limited company and shareholders as described in Part II-IV of the Act on Housing Cooperatives and Other Shared Housing Arrangements, shall be entitled to a special subsidy if their dwelling is comprised by a prohibition of residence or stay under section 76(1) hereof.

(2) Subsidies pursuant to subsection (1) above shall not be granted if failure to maintain the building or the condemned premises has been decisive for the decision to condemn.

(3) Subsidies under subsection (1) above shall only be granted to owner-occupied dwellings occupied by the owner, which have been assigned separately and have been let for a limited period of time or which have been assigned separately and are comprised by the termination provision of section 83a of the Rent Act; cf. section 84 of the said act. Subsidies may also only be granted to owners of single-family houses and two-family houses let on the condition that the dwelling or, in the case of two-family houses, at least one of the dwellings has been let for a limited period of time.

(4) For owners of owner-occupied dwellings and shareholders, the subsidies shall be fixed pursuant to subsection (1) above as the difference between the market value of the condemned dwellings after the prohibition and the value before the prohibition.

(5) In the event that the condemned dwelling belongs to a housing cooperative comprised by Part II of the Act on Housing Cooperatives and Other Shared Housing Arrangements, the subsidies for the members whose dwellings in the housing cooperative have been condemned shall be calculated as the difference between the price of the cooperative dwelling before the condemnation pursuant to section 5 of the Act on Housing Cooperatives and Other Shared Housing Arrangements and the sales value after condemnation. For members whose dwellings in the housing cooperative are not condemned, the subsidies shall be calculated as the difference between the value of the cooperative dwelling before and after the condemnation pursuant to section 5 of the Act on Housing Cooperatives and Other Shared Housing Arrangements. If the condemnation relates to rented dwellings, the housing cooperative shall not be entitled to subsidies unless the dwelling has been let for a limited period of time. The subsidies shall be payable to the housing cooperative. Members comprised by the first sentence above shall be entitled to have their share of the subsidies paid by the housing cooperative.

(6) In the event that special calculation rules in the housing cooperative's by-laws stipulate a lower value of the condemned dwelling, the subsidy pursuant to subsection (1) above shall be fixed on the basis of this value. The same shall apply if non-condemned dwellings in the housing cooperative have been sold at a lower price during the year preceding the prohibition than the price resulting from a calculation pursuant to the provisions of subsection (5) above.

(7) If the housing cooperative realises a capital gain in connection with repayment of debt related to the condemnation, such gain with deductions of any capital losses and costs of repayment shall be deducted from the subsidy pursuant to subsection (1) above.

(8) Subsections (5)-(7) above shall apply correspondingly to properties owned by a public or private limited company comprised by Part III of the Act on Housing Cooperatives and Other Shared Housing Arrangements.

(9) Subsidies pursuant to subsection (1) above shall carry interest from the date on which the local council receives an application for subsidies at an annual interest rate corresponding to the Danish central bank's discount rate at the time of the decision. Applications for subsidies shall be submitted within six months of a prohibition having been issued pursuant to section 76 hereof. In the event that attempts are made to annul the prohibition by a rebuilding proposal, cf. section 79 hereof, or the prohibition has been brought before the urban renewal board or the courts, the six-month period shall be reckoned from the time of the decision of the local council or urban renewal board or a judgment.

(10) In the event that no agreement can be reached, subsidies pursuant to subsection (1) above shall be fixed by the compensation authorities mentioned in the Act on Public Roads.

(11) Payment of subsidies pursuant to subsection (1) above shall be conditional upon the person entitled to subsidies declaring his intention to waive the right to make a rebuilding proposal pursuant to section 79 hereof in respect of himself and later owners, or the deadline for such a proposal having expired. Such declaration shall be registered on the property. In the event that a rebuilding proposal has been submitted, subsidies shall not be payable before the local council has decided whether the proposal can be approved.

(12) Payment of subsidies pursuant to subsection (1) above shall also be conditional upon the person entitled to subsidies declaring his intention to waive the right to refer the prohibition to the urban renewal board or the courts in respect of himself and later owners, or the deadline for such an action having expired. Such declaration shall be registered on the property. In the event that the prohibition has been brought before the urban renewal board or the courts, subsidies shall not be payable before the urban renewal board has made a decision or a judgment is made.

(13) The provisions of section 51(2) and sections 53-55 and 66 of the Act on Public Roads shall be apply correspondingly as regards the compensation authorities' hearing of the case and determination of subsidies. Matters considered by the compensation authorities cannot be brought before the courts until the superior compensation commission has made a decision. Proceedings shall be taken within six months of the superior compensation commission's decision having been communicated to the relevant person. Proceedings shall be taken in the high court of the first instance under whose jurisdiction the property belongs.

(14) The Minister for Economic and Business Affairs shall lay down specific rules governing the calculation of the value of owner-occupied dwellings and dwellings in housing cooperatives prior to the prohibition; cf. subsection (3) above.

Revocation of condemnation

79.-(1) The owner of an entirely or partially condemned property may apply for a revocation of the condemnation by submitting a proposal for rebuilding to the local council that will remediate the conditions justifying the condemnation; cf. section 76(4) hereof. The prohibition letter to the owner shall outline the deadline for submitting such proposals. The deadline shall not be less than two months, and shall only in very special cases exceed 12 months.

(2) The local council may choose not to approve a rebuilding proposal if the property or part thereof will continue to be in a considerably poorer state than properties with dwellings and rooms that comply with the provisions in the building legislation even after the proposal has been implemented.

(3) If the local council can approve the proposal, it shall inform the owner that it will revoke the condemnation once the proposal has been implemented. At the same time, the local council shall set a reasonable deadline of not less than two months within which the proposal shall be implemented.

(4) The local council may as a condition for revoking the condemnation pursuant to subsection (3) above demand that a declaration be registered on the property describing that changed use of the previously condemned premises is subject to the local council's consent under this Act and that the local council shall be entitled to take legal action. The declaration shall be respected by the property's owners and owners of other rights to the property regardless of when such rights were established.

(5) The local council's decisions pursuant to subsections (1)-(4) above shall be communicated to the owner in writing and include information about the access to complain; cf. section 83 hereof. A decision made pursuant to subsection (3) above shall also be communicated to the tenants.

(6) The local council may also revoke prohibitions, cf. section 76(1) hereof, if it finds that the property's conditions are in keeping with the building legislation.

(7) Subsections (1)-(6) above shall be apply correspondingly to revocation of prohibitions made in pursuance of the former act in force, Act No. 185 of 5 June 1959 on Housing Inspection with subsequent amendments.

Legal and actual use

80.-(1) Where the use of a property involves a health or fire hazard, cf. section 75 hereof, the local council may prohibit any legal or actual changes to the property. The prohibition may be made for a period of up to two years. The prohibition shall lapse when the local council makes a prohibition pursuant to section 76 hereof or notifies the owner that it has found no reason to make a decision under this Part. The local council shall register the prohibition on the property.

(2) When an order to demolish has been made pursuant to section 77(2) hereof, no legal or actual changes shall be made to the property before the demolition unless the local council has given its permission thereto or an approved proposal for rebuilding has been submitted pursuant to section 79 hereof.

(3) Prohibitions pursuant to subsection (1) above shall be communicated to the owner in writing and include information about the access to complain; cf. section 83 hereof.

Housing commission

81.(1) The local council may establish a housing commission to exercise all or part of the local council's authority in pursuance of this Part.

(2) A housing commission established pursuant to subsection (1) above shall be appointed by the local council for the duration of its electoral period and shall consist of nine members:

(i) One chairman and two members who are all members of the local council.

(ii) One member who is a doctor.

(iii) One member who is a fire expert.

(iv) One member who is a building expert.

(v) One member who is a lawyer.

(vi) One member proposed by the major homeowners' associations in the local-authority area; but see subsection (3) below.

(vii) One member proposed by the major tenants' associations in the local-authority area; but see subsection (3) below.

(3) Where no major homeowners' or tenants' associations exist in the local-authority area or none of these submit a proposal for appointment of commission members before a deadline set by the local council, the local council shall appoint a tenant and an owner, who shall also be a landlord.

(4) The members mentioned in subsection (2)(ii)-(vii) above shall not be members of the local council.

(5) In connection with the hearing of cases relating to properties owned by social housing organisations, cf. the Act on Social Housing and Subsidised Dwellings in Private Housing Cooperatives, etc., the housing commission member proposed by the homeowners' associations shall be replaced by a member appointed on the basis of the proposal of the relevant housing organisations in the local-authority area, and the member proposed by tenants' associations by a member appointed on the basis of a proposal from the divisional boards of the social housing organisations in the local-authority area.

(6) At the same time as the appointment of members, an alternate for the chairman and one or more alternates for each member shall be appointed.

(7) The housing commission's decisions shall be made by a simple majority of votes and, in case of an equality of votes, the chairman shall have a casting vote.

(8) The local council shall lay down the guidelines for the activities of the housing commission.

(9) The local council shall place secretarial assistance at the disposal of the housing commission and pay the expenses of its activities, including any remuneration of the chairman and members as determined by the local council.

Payment and reimbursement

82.-(1) The local council's expenses for subsidies, compensation and coverage of reestablishment expenses for neighbouring properties pursuant to this Part shall be payable by the local council.

(2) The central government shall reimburse 50 per cent of the local council's expenses pursuant to subsection (1) above, provided that the provision of section 94(5) hereof is observed.

Complaints

83.-(1) Owners, tenants of business premises whose tenancies are comprised by the decision or at least one fourth of the residents of a property whose tenancies are comprised by the decision may refer local council decisions made pursuant to this Part to the urban renewal board; but see subsection (3) below.

(2) Mortgagees of the property may also refer condemnations and orders to demolish to the board; but see subsection (3) below.

(3) Local council decisions made pursuant to subsections (1) and (2) above may only be referred to the urban renewal board if the decision concerns matters relating to the interpretation of this Act or a provision laid down in pursuance hereof. Referral may also be allowed if, in the opinion of the urban renewal board, the decision is of common interest or has far-reaching ramifications for the complainant.

PART X

Urban renewal board

Composition of the board

84.-(1) One or more urban renewal boards shall be set up in every county authority and in the City of Copenhagen, the City of Frederiksberg and the local authority of Bornholm. Each board shall consist of a chairman, who shall be a judge, two building experts, one homeowner and one tenant. In connection with cases concerning dwellings in private housing cooperatives, the board shall include one additional member, who shall be a member of a private housing cooperative. In connection with cases concerning business tenancies, the board shall include one additional member, who shall be a business tenant. In connection with decisions made pursuant to Part IX hereof, the board shall include two members, of which one shall be a fire expert and the other shall be a doctor with housing hygienic expertise.

(2) The chairman shall be appointed by the Minister for Economic and Business Affairs. The two housing experts and members with fire and housing hygienic expertise shall be appointed by the county council - in the City of Copenhagen, the City of Frederiksberg and the local authority of Bornholm, such appointments shall be made by the local council. Neither the chairman nor the housing experts may have special ties to homeowners', private housing cooperatives' or tenants' organisations or have a business interest in property transactions.

(3) Members who shall be either homeowners, members of private housing cooperatives, residents and business tenants shall be appointed by the county council - in the City of Copenhagen, the City of Frederiksberg and the local authority of Bornholm, such appointments shall be made by the local council - subject to recommendations from national organisations of homeowners' associations, private housing cooperatives' associations and tenants' associations, respectively.

(4) One alternate shall be appointed for the chairman and one or more alternates for each member pursuant to the provisions of subsections (1)-(3) above.

(5) Appointment of the chairman, members and alternates shall be for a term of up to four years.

85. Members and alternates shall meet the conditions for being lay judges of a housing tribunal, cf. section 109(2) and (3) of the Rent Act which shall apply correspondingly with the exception of the condition of Danish citizenship.

Expenses related to the operation of the board

86. The county authorities and the local councils of Copenhagen and Frederiksberg shall place the requisite premises at the disposal of the board and ensure the necessary assistance to the board and pay expenses related to the secretarial services of the board. The county authorities, the City of Copenhagen, the City of Frederiksberg and the local authority of Bornholm shall pay other expenses arising from the activities of the board, including any expenses incurred by the chairman and the members in the execution of their duties. Remuneration of the chairman shall be payable by the central government. The other members of the board may be awarded remuneration payable by the county authority - in the City of Copenhagen, the City of Frederiksberg and the local authority of Bornholm, such remuneration shall be payable by the local council.

Referring cases to the board

87.-(1) Cases to be heard by the urban renewal board shall be referred in writing within six weeks of the complainant having received notice of the decision occasioning the complaint. Necessary documentation shall be enclosed.

(2) The referral of the case to the board shall have no suspensive effect unless the board, prompted by a request from the complainant or the local council, makes a decision to this effect.

(3) No later than one week after the case has been referred to the board, the board shall notify the local council and, if the complaint concerns rented properties, the other party to the tenancy that the case has been referred to the board and that any comments on the case must be made within four weeks. This deadline may be extended if warranted by special circumstances.

The board's hearing of complaints

88.-(1) The board shall decide what further investigations to make in connection with the hearing of the individual complaints. The board shall be entitled to obtain the requisite information from the parties to the case, all public authorities and private individuals.

(2) The board shall set a deadline, which normally cannot exceed four weeks, for responding to questions made by the board to the parties of the case or others. The board may extend this deadline if warranted by special circumstances.

89.-(1) The board shall be entitled to make an inspection. The parties to the case, including the local council, shall be summoned to the inspection at not less than one week's notice.

(2) The board may summon the parties to make a statement before the board. All parties shall be given due notice. The parties may be represented by proxy.

(3) The chairman of the board shall prepare the cases for hearing at board meetings.

90.-(1) The urban renewal board shall make a decision no later than eight weeks after it has received responses pursuant to section 87(3) or section 88(2) hereof or when the deadline for responses pursuant to the said provisions has expired.

(2) In cases where the deadline for responding pursuant to the said provisions has expired, without a response having been given, the board may interpret the lack of response in favour of the counterparty and rely on this party's presentation of the case in its decision.

(3) The board's decision shall be adopted by a simple majority of votes. In case of an equality of votes, the chairman shall have a casting vote. The board shall constitute a quorum when all members are present.

(4) The decisions of the board shall be recorded. Where a decision is not unanimous, information about the votes cast shall also be recorded.

(5) The board's decision shall be communicated to the complainant, the local council and the persons who pursuant to section 87(3) hereof have been notified of the referral of the case to the board. The board shall state the grounds for its decision. The parties shall be informed of their access to appeal against the decision to the housing tribunal pursuant to section 92 hereof. The decision shall state if the decision is not unanimous.

(6) The board shall also inform the parties that any appeal against the board's decision to the housing tribunal pursuant to section 92 hereof will not have any suspensive effect unless at the request of the complainant or the local council, the housing tribunal makes a decision to this effect.

91. The Minister for Economic and Business Affairs shall lay down specific rules governing the board's rules of procedure.

Bringing the case before the housing tribunal

92.-(1) The parties, including the local council, may bring the urban renewal board's decision before the housing tribunal in pursuance of the provisions of the Rent Act. Decisions made pursuant to section 49, section 74(1) and section 83(1) and (2) hereof and decisions made pursuant to provisions stipulated pursuant to section 100 hereof shall only be brought before the housing tribunal if the decision concerns issues relating to the interpretation of this Act or a provision laid down in pursuance hereof.

(2) The case shall be brought before the housing tribunal at least four weeks after the parties have been notified of the board's decision. In exceptional cases, the housing tribunal may allow the case to be brought before the tribunal after the deadline has expired when an application to this effect is submitted within a year of the board's decision. If the tribunal accepts such an application, the case must be brought before the tribunal within four weeks of the tribunal's acceptance.

(3) In properties with tenants' representation, the tenants' representatives may bring the decision before the tribunal.

(4) As determined by the housing tribunal, the urban renewal board shall give an account of its decision during the tribunal's hearing of the case.

(5) Where the urban renewal board fails to make a decision before the expiry of the deadline as stipulated by section 90(1) hereof, the complainant may bring the case before the rent tribunal with the limitations stipulated by subsection (1) above without having to await the board's decision. Subsections (3) and (4) above shall apply correspondingly.

(6) The bringing of the case before the housing tribunal shall have no suspensive effect unless at the request of the complainant or the local council the housing tribunal makes a decision to this effect. As concerns the urban renewal board's decision pursuant to section 58 hereof, the housing tribunal cannot make a decision on suspension.

PART XI

Miscellaneous

Spending limit

93.-(1) The Minister for Economic and Business Affairs may within the government spending limit as fixed by the annual finance acts

(i) authorise the local council to commit itself to granting phase-in assistance, subsidies and repayment and make decisions to award compensation pursuant to this Act; and

(ii) reimburse local-authority expenses incurred by the local council under this Act.

(2) Any unused spending limit at the end of a fiscal year shall be transferred to the next fiscal year.

94.-(1) For the individual fiscal year, the Minister for Economic and Business Affairs shall announce a directional spending limit for the local councils, which in advance have requested to be allocated part of the government spending limit; cf. section 93 above. Provided that the appropriation is adequate in the relevant commitment year, the local councils may expect to be able to commit themselves to granting subsidies within the directional spending limit.

(2) The total government spending limit, cf. section 93 hereof, shall be appropriated between the individual applicant local authorities according to objective criteria reflecting the local authorities' need for urban renewal. Part of the spending limit may be spent on area renewal, cf. section 6(1) hereof, and building renewal in such areas and performing limited urban renewal tasks, including urban renewal experiments pursuant to sections 96 and 97 hereof.

(3) If the local councils of two or more local authorities so desire, the Minister for Economic and Business Affairs shall transfer the spending limit which it has already committed itself to granting between the local authorities.

(4) The Minister for Economic and Business Affairs may change the directional spending limits which it has already committed itself to granting pursuant to subsections (1) and (3) above.

(5) The local council shall only notify an owner of its commitment to granting subsidies triggering reimbursement under this Act if the local council has been granted withdrawal on its directional spending limit pursuant to subsection (1) above. Withdrawal on the spending limit pursuant to the first sentence shall take place in immediate connection with the decision. Withdrawal on the local authority's directional spending limit is

not required for decisions comprised by section 98 hereof. Where warranted by special circumstances, the Minister for Economic and Business Affairs may grant exemption from the requirement in the first sentence.

(6) Funds withdrawn from the local authority's directional spending limit pursuant to subsection (1) above shall be spent by the local authority no later than four years after the withdrawal has been made. Funds shall be considered as spent when the local council has made a commitment to paying the expenses charged to the spending limit pursuant to this Act.

Reimbursement from the Houseowners' Investment Fund

95. The central government may demand that the Houseowners' Investment Fund reimburse expenses paid by the central government for subsidies for maintenance works in rental properties pursuant to section 19(2) hereof to the extent laid down in an agreement made between the central government and the Houseowners' Investment Fund. For the period 2004-2007, the reimbursement from the Houseowners' Investment Fund shall constitute DKK 50 million per commitment year.

Experiments

96.-(1) The Minister for Economic and Business Affairs may within an amount fixed in the annual finance acts grant subsidies for information, guidance and collection of data on renewal and improvement of cities and dwellings, and for examination and experiments within the scope of this Act.

(2) The Minister for Economic and Business Affairs may grant the local council permission to make a decision to launch building renewal experiments and grant special subsidies thereto, including programme preparation, communication of experience and measures not generally subsidised.

(3) The Minister for Economic and Business Affairs may in respect of experiments pursuant to subsection (2) hereof grant advance reimbursement of the central government's share of the expenses, including the special experiment expenses, to the local authorities before the works commence.

(4) As concerns the special experiment expenses, the Minister for Economic and Business Affairs may in respect of experiments pursuant to subsection (2) above increase the reimbursement pursuant to section 19(2), section 34(2) and section 48(2) hereof from 50 per cent up to 100 per cent.

(5) As determined by Minister for Economic and Business Affairs, subsidies may be granted to building renewal experiments involving expenses for which no reimbursement can be granted under this Act.

97.-(1) The Minister for Economic and Business Affairs may within the spending limit, which pursuant to section 93 hereof is fixed in the annual finance acts, give the local council permission to make a decision to start area renewal experiments.

(2) The Minister for Economic and Business Affairs may in respect of experiments under subsection (1) above grant subsidies for other measures than those outlined in section 6 hereof, for which the local council shall pay the expenses.

(3) As concerns the special experiment expenses, the Minister for Economic and Business Affairs may in respect of experiments pursuant to subsection (1) above increase the reimbursement rate stipulated in section 7(1)(i) hereof from one third up to 100 per cent.

(4) The Minister for Economic and Business Affairs may in respect of experiments pursuant to subsection (1) above increase the limit stipulated in section 7(1)(ii) hereof from DKK 10 million to DKK 20 million.

(5) The Minister for Economic and Business Affairs may in respect of experiments pursuant to subsection (1) above grant advance reimbursement of the central government's share of the urban renewal expenses, including the special experiment expenses. The advance reimbursement may be paid before the works commence.

Local-authority subsidies and right of distraint

98.-(1) In the event that the local council undertakes to grant subsidies pursuant to this Act without reimbursement from the central government, commitment to granting subsidies may be made after notification of the Ministry of Economic and Business Affairs without any prior binding withdrawals on the spending limit pursuant to section 94(5) hereof being made.

(2) The local council may decide to grant subsidies for urban renewal measures for which subsidies generally cannot be granted. Reimbursements shall not be granted for local council decisions made pursuant to the first sentence above. Commitments to granting subsidies pursuant to the first sentence shall not be comprised by section 94(5) hereof on binding withdrawals on the spending limit.

99.-(1) The local council shall be given a right of distraint on the relevant property for amounts paid in advance by the local council in pursuance of section 76(10) hereof on clearing of condemned dwellings or rooms and section 77(8) hereof on orders to bar, install necessary measures to ensure that no unauthorised persons take possession of the property or demolish. The amounts shall have the same priority as local-authority property taxes.

(2) Where the local council holds a right of distraint for expenses paid pursuant to subsection (1) above, a brief statement to this effect shall be registered on the property. The local authority shall have the statement registered when it has made a decision to have the works performed.

Authority, etc.

100. The Minister for Economic and Business Affairs may lay down specific rules on implementation of this Act and on the local council's provision of subsidies, application and decision procedure, payment and reimbursement, establishment and subsidies for recreational areas, distribution of investment limit and presentation of accounts and auditing as stipulated by Parts III-VI hereof.

101. In the event that the Minister for Economic and Business Affairs transfers his authority under this Act to the National Agency for Enterprise and Construction, the Minister may lay down rules on access to complain, including rules stipulating that complaints cannot be brought before other administrative authorities.

Funds and accounts management

102.-(1) The Agency for Governmental Management shall undertake the funds and accounts management of government spending. Specific rules thereon shall be laid down by the Minister for Finance after negotiation with the Minister for Economic and Business Affairs.

(2) Where public subsidies have been granted and paid, the Danish Agency for Governmental Management shall undertake the subsequent management of subsidies and government guarantees. The authority of the Agency for Governmental Management shall comprise both current and future cases.

(3) After negotiation with the Minister for Finance, the Minister for Economic and Business Affairs may lay down specific rules for the Danish Agency for Governmental Management's management of the cases.

(4) Complaints of the Danish Agency for Governmental Management's decision pursuant to sections (2) and (3) above shall be made to the Minister for Finance.

103.-(1) The Minister for Taxation may collect both the Treasury's receivables for excessive payment of subsidies and the recourse claim following payment of the government guarantee pursuant to this Act or the redevelopment legislation plus interest and costs by withholding pay, etc. of the person in question in pursuance of the rules for collection of personal taxes in the Tax at Source Act.

(2) The Minister for Taxation may obtain information necessary to undertake the collection of amounts due under this Act or the redevelopment legislation, including information about income and property from the public authorities.

Control provisions

104. The Minister for Economic and Business Affairs may obtain information from local authorities about measures introduced or planned pursuant to the provisions of this Act. In this respect, the Minister for

Economic and Business Affairs may lay down specific rules for the application of such information.

105.-(1) Owners and users of real property as well as public authorities shall upon the request of the local council, the housing commission or the building improvement committee disclose information relevant for the urban renewal activities, including information about provision of alternative accommodation and condemnation, etc., in pursuance of this Act.

(2) Where deemed necessary for the local council to make a decision under Part VI hereof on improvement of recreational areas or under Part IX hereof on condemnation of dwellings and rooms constituting a health and fire hazard, the authorities mentioned in subsection (1) above shall at all times have access to real property against presentation of proper ID and without a court order.

(3) Issues relating to whether information pursuant to subsection (1) above or access pursuant to subsection (2) above can be demanded, may be referred to the urban renewal board by owners and users.

Approved urban renewal companies

106. Urban renewal companies approved in pursuance of the former Act on Urban Renewal and Housing Improvement, cf. Consolidation Act No. 820 of 15 September 1994 with subsequent amendments, and the former Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, may apply to the Minister for Economic and Business Affairs for a revocation of the approval.

Punishment

107.-(1) A fine shall be imposed on any person, who

- (i) fails to notify the local council of vacation, cf. section 15(4) hereof;
- (ii) fails to report a vacant dwelling, cf. section 66(1) hereof;
- (iii) in contravention of section 66(2) hereof, fails to lease a dwelling to a person having a dwelling allocated to him by the local authority;
- (iv) in contravention of section 64 hereof, leases a dwelling to another applicant;
- (v) leases a dwelling with the knowledge that the landlord subject to the local council's allocation shall lease the dwelling to another applicant;
- (vi) fails to comply with an order or prohibition issued pursuant to section 76(1) or section 77(1) and (2) hereof;
- (vii) violates a declaration registered pursuant to section 79(4) hereof; or

(viii) fails to surrender information requested, cf. section 105(1) hereof.

(2) The Minister for Economic and Business Affairs may determine a punishment in the form of a fine for violation of provisions in regulations issued under section 103(2) hereof on the procedure related to withholding pay.

(3) If a judgment is passed against a landlord for violating subsection (1)(ii)-(iv) above and the violation gives reason to believe that a reasonable danger exists for further violations of the provision, the judgment may direct that the local council shall determine to whom a vacant dwelling shall be let in all re-letting cases.

(4) If the landlord has been deprived of his right to re-let under subsection (3) above, letting shall be made in respect of applicants allocated by the local council.

(5) In the event of a judgment relating to the violations outlined in subsection (1)(iv) and (v) above, a decision shall be made, even where no fine is imposed, that the tenant shall vacate the rented premises at least one month after the tenant has received the judgment, unless the local council approves a different arrangement.

(6) Any person who gives incorrect or misleading information or fails to disclose information of importance to the application for commitment, payment of subsidies or provision of a government guarantee shall be liable to a fine unless a higher punishment is applicable under other legislation.

(7) Criminal liability may be imposed on companies, etc. (legal persons) under the rules of Part V of the Criminal Code.

Commencement

108.-(1) This Act shall come into force on 1 January 2004.

(2) At the same time, the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, shall be repealed with the exception of section 203(2), subsection(3), first and second sentences, and subsection (5) thereof.

109.-(1) The Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003 shall continue to apply to decisions for which the local council has obtained a binding commitment limit for public subsidies prior to 1 January 2004. The same act shall also apply to decisions concerning properties on which the local council has issued an order pursuant to Part IX prior to 1 January 2004. In respect of decisions mentioned in the first and second sentence above, the local council may obtain a supplementary investment limit in the form of withdrawals on the local council's spending limit; cf. section 94 of this Act. Withdrawals on the spending limit pursuant to the third sentence above shall be made according to a conversion factor fixed by the Minister for Economic and Business Affairs.

(2) Applications under the previous rules of Part II of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, to which reservation has been granted prior to 1 January 2004 shall be finalised according to the previous rules.

(3) The local council may continue to make decisions pursuant to Parts III and XI of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, in neighbourhood improvement areas; cf. section 4 of Act No. 1086 of 29 December 1999 amending the Act on Social Housing and Subsidised Dwellings in Private Housing Cooperatives, etc., the Act on Housing Construction, the Act on Housing Cooperatives and Other Shared Housing Arrangements and the Act on Urban Renewal. (Variable-rate mortgages, re-mortgaging, payment of mortgages, alternative housing for young persons, strengthened effort in socially weak urban areas), to which funds have been appropriated in the 2000 Finance Act. The local council shall obtain the binding commitment limit for public subsidies before 1 January 2009.

(4) Applications under the previous rules of Part V of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, to which reservation or commitment has been made to granting subsidies prior to 1 January 2004 shall be finalised according to the previous rules. No supplementary reservation or commitment shall be made after 31 December 2003.

(5) Repaid loans, cf. section 136 of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, may as determined by the local council be redistributed as subsidies under Part IV and section 37(3). The local council's authority pursuant to the first sentence above may be transferred to a building improvement committee; cf. section 30 of this Act.

(6) If the local council has made decisions pursuant to section 146(1) and (2) of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, such decisions shall continue to apply unless the local council decides otherwise.

(7) Section 186 of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, shall continue to apply to cases referred to the urban renewal boards pursuant to the Act on Urban Renewal and Housing Improvement; cf. Consolidation Act No. 820 of 15 September 1994 with subsequent amendments.

(8) Building improvement committees established in pursuance of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, may continue their activities under section 30 of this Act subject to a local council decision to this effect. Where a decision is made pursuant to the first sentence above, the member safeguarding tenants' interest shall be replaced by one of the alternates appointed to safeguard homeowners' interests.

(9) Housing commissions established in pursuance of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, may continue their

activities under section 81 of this Act subject to a local council decision to this effect.

(10) Urban renewal boards established in pursuance of the Act on Urban Renewal, cf. Consolidation Act No. 260 of 7 April 2003, shall continue their activities under sections 84 and 85 hereof.

110. This Act shall not extend to the Faeroe Islands and Greenland.

Given at Marselisborg Palace on 27 December 2003

Under Our Royal Hand and Seal

Magrethe R.

/Bendt Bendtsen

Relevant information