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ROMANIA IS SET TO ENFORCE MANDATORY REHABILITATION WORKS FOR HOTEL OWNERS

On 14 May 2018, a draft law (PL no. 190/2014) regarding certain measures for the rehabilitation of tourist facilities of national interest was included on the agenda of the Chamber of Deputies. Should this draft law be approved and adopted, the impact could be significant. It would impose on hotel and hostel owners the obligation to undertake environmental and architectural rehabilitation works on their buildings and surrounding street within twelve (12) months from the law being enacted. These rehabilitation works would relate to the exterior elements of the building (façade and roof) not the structural or internal components of the structure.

Failure to observe these measures could be sanctioned by fines and penalties which are quite high: e.g. non compliance with the law in regard to the façade of the building could trigger a fine of EUR 1 per square meter for every day of the delay.

The present state of certain affected resort facilities and hotels in Romania is admittedly poor and the law is intended to address this issue. Nevertheless, the short time for execution and the implicated costs for the hotel owners is concerning. The proposed law does not make any distinction between the authorization process and the actual construction works to be carried out, leaving room for interpretation. For example, it is unclear whether simply applying for a Planning Certificate (which is the first step in the authorization process) within the 12 month period constitutes sufficient action under the law. Given the relatively slow pace at which such authorizations are issued by certain municipalities, it is highly doubtful that 12 months would be enough time to obtain the authorization and complete the necessary construction works. This is especially the case given that some historical buildings may also need Ministry of Culture approval (which can further delay the permitting process) and that some of these buildings are in need of significant repair works.

Further updates would follow when the law would be approved.

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For more information about our services, please contact:



Ciprian Glodeanu

Partner

ciprian.glodeanu@wolftheiss.com

T: +40 21 308 8100



Sebastian Boțic

Associate

sebastian.botic@wolftheiss.com

T: +40 21 308 8100

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Wolf Theiss Rechtsanwälte GmbH & Co KG
4 Vasile Alecsandri Str., The Landmark, Building A
010639 Bucharest, Romania

T: +40 21 308 81 00
F: +40 21 308 81 25
bucuresti@wolftheiss.com

www.wolftheiss.com