

**- September 2008 -**

## **MONTENEGRO: REAL PROPERTY**

### **LAW ON PLANNING AND CONSTRUCTION**

*(Zakon o uređenju prostora i izgradnji objekata, Official Gazette of Montenegro, n.51/08)*

The new Montenegrin Law on Planning and Construction (*Zakon o uređenju prostora i izgradnji objekata, Official Gazette of Montenegro, n.51/08*) is aimed at replacing several laws which dealt separately with spatial planning, construction land and construction procedure. The lawmakers' intention was to create a comprehensive regulatory framework that would stimulate major infrastructure projects in Montenegro and construction of new tourist capacities.

The most important novelty in the area of spatial planning is that investors are no longer obliged to enter into time-consuming procedure of obtaining the so-called "*decision on location*" as a precondition for entering the design phase. Instead, it is sufficient to follow the urban-technical conditions for that particular area contained in the general or local spatial plan. The urban-technical conditions are supposed to be published on the Internet by the state authorities within 7 days following the adoption of a plan. Furthermore, if there is no spatial plan for certain area then, the urban-technical conditions are being issued by the state authority upon investor's request.

Dedication to further development of tourism is evidenced by a provision according to which the state ministry is in charge of preparation of spatial plans and issuing construction permits for five and above stars hotels with more than 120 beds. It is perceived that the Ministry for Economic Development which is in charge of spatial planning will be more opened to foreign developers holding large parts of Montenegrin coast.

The first impression is that the procedure for issuance of construction permit is rather simplified. Namely, various approvals and opinions from ministries and utilities companies that were, under the former law, required to be submitted for the issuance of the construction permit are no longer required. Moreover, the construction permit may be issued based on the preliminary design whereas the main design and its audit are required before the commencement of construction. However, the influence of these changes to acceleration of procedure is still to be confirmed in practice because, even though approvals and opinions are formally not mentioned in the law as a precondition for issuance of construction permit they are still required for the audit of the main design and may be required by the urban technical conditions.

Another important novelty is the effort to make whole procedure public as much as possible. All spatial plans, urban technical conditions, requests for issuance of construction permits, construction permits and commencement of construction works are supposed to be published on the governmental web sites.

The lawmakers also tried to speed up procedure. The deadline for issuance of construction permit is now set at 15 days.

The deadline for commencement of construction is set at two years following the issuance of construction permit whereas the former law provided for a period ranging from 6 months up to 1 year. Deadline for finishing the construction is three years following the issuance of the final construction permit.

The Law provides for the possibility of transferring the construction permit to new investor subject to approval of the state authority. The new investor must provide evidence of the ownership or other right on the land covered by the construction permit.

**DISCLAIMER:** The text above is provided for general guidance only and does not represent legal advice.

Copyright Law Office KOJOVIĆ September 2008

**CONTACT:** Law Office KOJOVIĆ Advokati/Attorneys at Law, Gospodar Jovanova 83, Serbia,  
11 000 Beograd  
Tel: (+381 11) 3036 468; Fax: (+381 11) 3036 469  
E-mail: [office@kojoviclaw.com](mailto:office@kojoviclaw.com)

[www.kojoviclaw.com](http://www.kojoviclaw.com)