



Documentation Regional development instruments

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Interreg III B

General Data

Name of instrument:	Compensation for use of building land (= Nadomestilo za uporabo stavbnega zemljišca)
Country / region:	SI
Spatial level:	local
Type:	Economic instruments
Subtype:	Consumptive fees
Description:	<p>This compensation is a property tax which is an original and complete revenue of a municipality where this tax is enforced. It is very important income for municipal budgets enabling not only communal infrastructure of building land but also economic and social development. It represents a public fee, defined by the law and regulated in detail by each municipality. It has to be paid by each private citizen and corporate body that possesses or uses only (lends) real estates.</p> <p>The fee is fixed according to several criteria including communal infrastructure (available amenities), distance from the municipal center, accessibility etc. Owners in more peripheral areas pay less in comparison to town people.</p>
General objectives:	- to enable municipalities to perform active policy of spatial planning
Responsible:	Local authority/Municipal council
Stakeholder Involved:	Local authority/Municipal council
Reference:	It is based on Construction Land Act.
General assessment of strength and weakness:	<p>strength:</p> <ul style="list-style-type: none"> - progressive taxing <p>weakness:</p> <ul style="list-style-type: none"> - big differences among municipalities - many property owners are not subjected to taxing
Metadata:	<p>Date of entry: 2007/05/04</p> <p>Contact: Ifuplan, Schleißheimer Str. 156, 80797 München</p>

Implementation

Legal status:	mandatory
Extension:	all municipalities
Comment:	The idea behind this tax is that property values rises due to investments of others not owners. It is a tax for this "added value".
Type of monitoring:	none

Preconditions for implementation:	Each municipality has to adopt a decree about this tax.
Assessment	
Relevance	
Status:	very strong relevance
Ranking:	5
Acceptance	
Ranking:	3
Remark:	presumably lower acceptance by environmental NGOs and maybe municipal residents; if people in the town have to pay higher fees than in more distant areas the fee is not able to steer inner-urban development
Implementation	
Ranking:	5
Feasibility	
Status:	Legislation, staff, political will
Ranking:	3
Effectiveness	
Ranking:	0
Remark:	Depending on the objective of the instrument. If sustenance of remote settlements is the objective, then the instrument is effective, if densification and containment of settlements in the rural areas is the goal then the instrument is counterproductive.