

[HU] Changes in Financing Public Service Broadcasters

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At its summer session of 2002, the Hungarian Parliament has adopted Act No. XXIII of 2002 amending the annual state budget for 2002. This act brought *inter alia* fundamental changes to the system of Hungarian media financing.

The financing of Hungarian public service broadcasters is described by Act No. I. of 1996 on radio and television broadcasting (Broadcasting Act). This act lays down the foundations of a mixed system, in which the largest source of income for public service broadcasters is the licence fee. It shall be paid by households having TV sets. It is complemented by revenues from commercial activities. Beside these sources, certain proportions of the broadcasting fee paid by the national commercial broadcasters and a state subvention covering the transmission costs of the broadcasters are also granted for these broadcasters. According to the Broadcasting Act the amount of the licence fee due to be paid per household per month shall be defined in the state budget act each year. For 2002 the amount of the fee has been fixed at the rate of HUF 750 (approx. EUR 3.5).

The present amendment of the state budget act for 2002 introduces major changes to this system but leaves the provisions of the broadcasting act untouched. It should be noted that according to the Hungarian constitution the amendment of the Broadcasting Act would require a two-thirds majority of votes in the Parliament. According to the present amendment the licence fee due to be paid for the second half of 2002 shall not be collected from households. Instead the total amount of this income has to be paid by the government to the public service broadcasters in the form of a state subvention. During the parliamentary debates on the regulatory solution the independent regulatory authority for the media, the Országos Rádió és Televízió Testület (National Radio and Television Commission - ORTT), which is affected by the change as it is also financed by the licence fee income, has expressed its constitutional concerns. According to ORTT, with the amendment the Parliament has defined not only the legal basis, but also the total amount of the licence fee income for public service broadcasters. This regulatory practice makes possible - in ORTT's view - the indirect influence of the parliamentary majority (through the adoption of financial decisions) over public service broadcasters. Following an application of the chairman of the Magyar Rádió Közalapítvány (Hungarian Radio Public Foundation, the supervising body of Magyar Rádió Rt., one of the three public service broadcasters of Hungary) the Constitutional Court is expected to decide on this matter.

2002. évi XXIII. törvény a Magyar Köztársaság 2001. és 2002. évi költségvetéséről szóló 2000. évi CXXXIII. törvény módosításáról

<http://www.complex.hu/kzldat/t0200023.htm/t0200023.htm>

Act No. XXIII of 2002. on the amendment of Act No .CXXXIII of 2000 on the annual state budget for 2002

