

# [SK] Amendments to the Radio and Television Act

**IRIS 2012-1:1/42**

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On 21 October 2011 the Slovak Parliament passed an amendment to Act. No 532/2010 Coll. on Radio and Television of Slovakia. The amendment was signed by the President and will come into effect on 31 December 2011 except for the provisions that abolish the TV and radio licence fees and the income from State Contracts. These provisions will come into effect on 1 January 2013.

This amendment provides a new model for financing the Radio and Television of Slovakia (RTS), which was created just in January 2011 by the merging of the public service TV and radio broadcasters of Slovakia (see IRIS 2011-1/49).

Firstly, the amendment abolishes the TV and radio licence fees that until then every household with electricity and employers of at least three employees were obliged to pay. It also abolishes another form of revenue - the contracts between RTS and the State (that existed only from the end of 2009; see IRIS 2010-1/40).

Secondly, the amendment determines a new policy for financing RTS where the main income of RTS is an annual contribution from the State budget. This contribution is set to 0.142% of the GDP with a guaranteed minimum amount of EUR 90 Mio. per year. This is the minimum necessary for RTS to fulfil its remit. In order to calculate the annual contribution the GDP of the past two years shall be used. The amendment also sets out a framework for the actual usage of the State budget contribution. With respect to the Communication from the Commission on the application of State aid rules to public service broadcasting (2009/C 257/01) contributions from the State budget may be used solely to cover the net costs of the public service mission. In accordance with this Communication the amendment also specifies the use of unspent sums from the annual State budget contributions.

As it was stated above, the provisions that change the funding system of RTS will enter into force in January 2013. This is due to the state of public funds in Slovakia. The main RTS income for the year 2012 will therefore remain the TV and radio licence fees. However, the effectiveness of collecting these fees is gradually decreasing. That is why the amendment preserves for 2012 the daily limit for advertising at 1% of the daily transmission time (this may increase by up to 5% for teleshopping spots) as opposed to the initial intention to decrease RTS' daily advertising limit in 2012 to 0.5% (up to 2.5% with teleshopping spots).

The immediate reactions of RTS to the change of the funding system were limited to practical matters, mainly to the fact that TV and radio licence fees are still to be paid for the whole year of 2012 (execution of this obligation is still legally enforceable for 2012). RTS expressed its commitment to deliver to the public a clear message which will explain that TV and radio license fees are to be abolished from the beginning of 2013 but not sooner.

However, the General Director of RTS stated in an earlier press interview that on the one hand financing straight from State budget will be "more comfortable" since payments will be regular and guaranteed whereas income from TV and radio licence fees decreased for various reasons, but on the other hand "one who pays also makes decisions, governs, interferes and owns". The opinion that funding RTS from the State budget will lower its level of independence was also expressed by the (then) main political opposition.

On the other hand, the presenters of the amendment claim that the transparent, stable and predictable system of financing RTS by contributions from the State budget linked to the GDP will strengthen its economic as well as editorial independence, which will eventually lead to a higher level of performance of its public service mission.

*Amendment of 21 October 2011 to Act. No 532/2010 Coll. on Radio and Television of Slovakia*

