

Act XXI of 1996

on Regional Development and Regional Planning

In the interest of promoting the well-balanced regional development of the country, as well as the social, economic and cultural development of its regions, furthermore, implementing a comprehensive regional development policy and co-ordinating the national and regional duties related to regional development and regional planning, also taking into account the regional policy of the European Union, as well as the requirements of joining its basic principles, system of means and institutions, Parliament hereby passes the following Act:

Chapter I

GENERAL PROVISIONS

Purpose and Scope of the Act

Section 1

- (1) The purpose of the Act is to establish the fundamental objectives and rules of regional development and regional planning and to set up its institutional system.
- (2) The scope of the Act shall extend to the fulfilment of the national and regional duties related to regional development and regional planning. The natural persons and legal entities, as well as unincorporated organizations participating in, or affected by, the above activities shall come under the scope of the Act.
- (3) The provisions of a separate Act shall apply to settlement development and settlement planning.

The Goals and Duties Related to Regional Development and Regional Planning

Section 2

The goals of regional development and regional planning are:

- a)* to promote the development of the social market economy in all regions of the country, to create conditions for sustainable development, to promote the spatial spread of innovation, to develop a spatial structure which is suitable for the social, economic and environmental goals;
- b)* to reduce the considerable differences between the capital and the provinces, towns and villages, as well as the developed and underdeveloped regions and settlements, manifesting themselves in living, economic, cultural and infrastructure conditions, and to

prevent the formation of further areas of crisis in the interest of providing for social equality of chances;

c) to promote the harmonic development of the spatial structure and settlement system of the country;

d) to preserve and strengthen the national and regional sense of identity.

Section 3

(1) The objectives of regional development and regional planning are:

a) to promote the regional development and regional planning initiatives of the regional and local communities, and to co-ordinate them with national objectives;

b) to work out, define and implement development conceptions, programmes and plans for the maintenance or improvement of the dynamic balance in the society, the economy and the environment;

c) to promote the harmonization with the regional policy of the European Union within the framework of international co-operation, as well as to utilize the mutual advantages inherent in regional co-operation and to promote the co-ordinated development of the border regions (particularly the underprivileged ones).

(2) The objectives of regional development are, in particular:

a) to work out, co-ordinate and implement a development policy which promotes social and economic reforms in the regions of the country with various characteristic features, and utilizes regional resources;

b) to promote the catching up and the development of underdeveloped regions;

c) to promote the structural reforms in the economy in certain industrial and agricultural regions and to reduce unemployment;

d) to improve the conditions for innovation in centres with adequate production and intellectual background, and to promote the regional spread of innovations;

e) to promote the peculiar development of regions of priority;

f) to develop an entrepreneurial environment which is attractive for investors.

(3) The objectives of regional planning are, in particular:

a) to explore and evaluate the environmental characteristic features;

b) to establish the land use that takes into account the loading and loadability of the environment and the development goals, and to establish the regional structure and location of infrastructure networks in accordance with the sectoral conceptions;

c) to co-ordinate the national and regional settlement planning goals and those which are in connection with regional planning.

(4) The regional development duties of the state are, in particular:

a) to make underdeveloped regions catch up with more advanced ones;

b) to develop the regions concerned by restructuring;

c) to reduce the regional differences in public services;

d) to support European integration and innovative regional development objectives and to promote the attainment of regional land use goals.

Section 4

The duties related to regional development and regional planning shall be fulfilled by the state organs, local governments, natural persons and their organizations, business organizations, organizations safeguarding various interests and other institutions in harmony and co-operation with each other.

Basic Definitions

Section 5

For the purposes of this Act:

a) regional development:

aa) the monitoring and evaluation of the social, economic and environmental processes in the regions and the definition of the necessary and planned directions of intervention,

ab) the definition, co-ordination and implementation, within the framework of development programmes, of short, medium and long-term comprehensive development goals, conceptions and measures, and their implementation in other sectoral decisions,

in respect of the country and its regions;

b) regional planning: the establishment of the order and rules of land use in respect of the country and its regions, within this sphere:

ba) the exploration of resources, the determination of the loading and loadability of the land, the joint evaluation thereof and the preparation of prognoses,

bb) the elaboration of proposals for the expedient utilization of the regional characteristic features,

bc) the definition of the spatial and technical-physical system of development conceptions and programmes,

bd) the co-ordination of the European and border-area regional planning activities within the framework of international co-operation and conventions;

c) regional plan: a plan document that determines and influences the long-term technical and physical structure of the country or its individual regions, which provides for the long-term utilization and conservation of the regional characteristic features and resources, the realization of ecological principles, the co-ordinated siting of technical and infrastructure networks, and the system and the optimum, long-term regional structure of land use;

d) regional development policy: the definition for the long term and the implementation of the main directions of the regional development of the country and its individual regions, as well as of their strategic development goals and the most important means promoting the attainment thereof;

e) region:

ea) planning and statistical (large) region: a contiguous planning and/or statistical regional unit, covering several counties (the capital) and bordered by the administrative boundaries of the counties concerned,

eb) development region: a regional unit covering one or more counties (the capital), or a particular area thereof, which shall be managed jointly from social, economic or environmental aspects;

f) region of priority: a regional unit covering one or more counties (the capital), or a particular area thereof, which shall be managed jointly from social, economic or environmental aspects, to the unified planning or development of which national interests or goals defined in other legal rules are also attached (the metropolitan conurbation, recreation areas of priority, regions of landscape conservation areas or national parks shared by several counties, border or other peculiar regions);

g) environs: a small region with a town centre, a self-organized unit of area established for the co-ordination of developments;

h) small region: a unit of area which can be delimited on the basis of the totality of functional relationships between communities, the aggregate of self-organized adjacent communities maintaining intensive relationship with each other;

i) region: summarizing description of various units of area (region, county, region of priority and small region);

j) entrepreneurial zone: a delimited production and servicing area established for the development of a region, providing for peculiar financial benefits to be used for the activities carried out on its area;

k) underdeveloped region: where the value production ability, infrastructure development and social indices of the economy are considerably less favourable than the national average;

l) favoured region: a group of regions defined on the basis of statistical characteristics, taking into account the prevailing regional development goals, whose local governments

or the programmes and developments planned to be carried out in the administrative areas thereof may be supported by financial and economic incentives;

m) regional development conception: a plan document establishing and influencing the comprehensive and long-term development of the country or a region, which defines the long-term and comprehensive development goals of the region, furthermore, the guidelines required for the elaboration of the development programmes, and provides information for the participants in the sectoral and related regional planning and regional development;

n) regional development programme: a medium-term action plan worked out on the basis of the regional development conception, which is built on strategic and operative programmes;

o) regions affected by restructuring: labour market areas with disproportionate industrial structure, where the unemployment rate considerably exceeds, and the ratio of industrial employees and its reduction exceed the national average;

p) regions affected by agricultural rural development (rural regions): regions where the ratio of agricultural employees and those who are engaged in farming is considerable in the employment structure, or the ratio of the population living in villages and small towns;

r) innovation centres: communities with appropriate production and intellectual background or system of relations, which promote economic growth, restructuring and reforms, and social development in larger regions, or where a conscious development policy is implemented in the interest of achieving all these;

s) underprivileged border regions: the totality of settlements, the development and operation of which is unilaterally determined and adversely affected by their connection to international borders.

Chapter II

SCOPE OF DUTIES AND POWERS OF CENTRAL STATE ORGANS RELATED TO REGIONAL DEVELOPMENT AND REGIONAL PLANNING

Duties of Parliament

Section 6

Parliament shall

a) adopt a resolution on the national regional development conception, and shall establish, within the framework thereof, guidelines, goals and long-term priorities defining regional development policy;

- b)* make the Government report on the implementation of the regional development policy;
- c)* determine the group of regions of priority and shall adopt the comprehensive rules of the means and the institutional system of regional development;
- d)* adopt the regional plans prepared for the country and the regions of priority, and shall define, in an Act, their components which are also compulsory for local governments;
- e)* define principles for the subsidization of regional development and for decentralization, as well as the conditions of the classification of favoured regions;
- f)* make a decision on the funds serving regional development and, simultaneously, on certain financial benefits, in the course of passing the annual Act on the Budget;
- g)* make the Government report on the use of funds serving regional development;
- h)* make the Government report on its international and border-area regional development and regional planning activities;
- i)* define the duties of local governments related to regional development and their resources.

Duties of the Government

Section 7

The Government shall provide for the implementation of regional policy in its decisions, and within the framework thereof it shall

- a)* prepare and submit to Parliament
 - aa)* the national regional development conception, guidelines, goals and long-term priorities defining regional development policy;
 - ab)* regional plans prepared for the country and the regions of priority, as well as their components which are also compulsory for local governments;
 - ac)* guidelines for the subsidization of regional development and for decentralization, and the conditions of the classification of favoured regions,
 - ad)* funds and certain financial benefits serving regional development in the annual Act on the Budget;
- b)* co-ordinate government funds serving various regional development goals;
- c)* grant financial assistance to the implementation of the regional development programmes defined in the national regional development conception;

- d)* decide on the proportions of central and regional funds as defined in Section 20, subsection (2), point *a)* and subsection (4), point *a)* of this Act, serving regional development.
- e)* define the rules of use of funds serving regional development and the benefits available;
- f)* may initiate the establishment of a regional development council;
- g)* adopt, on the basis of the proposal of the national development council or the regional development council, the regional development conceptions and programmes for regions of priority;
- h)* promote the organization of the associations of settlement local governments for regional development, and shall encourage the preparation of development programmes and developments to be implemented through regional collaboration;
- i)* promote and support the co-operation of the border regions of the country with the neighbouring countries, as well as European regional co-operation;
- j)* report to Parliament biennially on the trends in the regional processes of the country and the implementation of regional development policy;
- k)* provide for the operation of a national regional information system, and within the framework thereof, for keeping records of the plans;
- l)* take a stand on the regional plans of the counties in advance in the interest of the harmonization of the national and county regional plans;
- m)* define in a decree the detailed scope of duties and powers of its members in connection with regional development and regional planning.

National Regional Development Council

Section 8

- (1) The National Regional Development Council (hereinafter: Council) shall take part in the fulfilment of governmental duties related to regional development and regional planning, and shall make decisions in the cases defined in this Act.
- (2) The following shall participate in the work of the Council:
 - a)* one person per region, but not more than six persons, on behalf of the county regional development councils,
 - b)* the presidents of the national chambers of economy,
 - c)* one representative on behalf of both the employers' and employees' sides in the Interest Reconciliation Council,

d) the Ministers of Agricultural and Regional Development, Environmental Protection, Interior, Economic Affairs, Transportation, Communications and Water Management, Health, Social and Family Affairs, Education, Finance, the Minister directing the Prime Minister's Office and the Minister of National Cultural Heritage.

e) the Lord Mayor or his representative,

f) the joint representative of the national associations for the protection of the common interests of local governments, as a member,

g) chairman of the Board of the Hungarian Entrepreneurial Development Fund, the president of the Hungarian Investment and Development Bank and the president of the Hungarian Academy of Sciences or his representative, with voice but no vote.

(3) The Council shall

a) participate in the development and implementation of the regional development policy, and in the scope of duties of decision preparation, proposal making, expressing of opinion and co-ordination,

b) participate in the co-ordination of the national and regional development programmes, as well as the central, sectoral and regional conceptions,

c) express opinion on the guidelines for the subsidization of regional development and for decentralization, as well as the conditions of the classification of favoured regions,

d) make a proposal for the co-ordination of sectoral means allocated for regional development purposes,

e) make a proposal for the appropriation of the funds serving regional development and for the use of the central fund,

f) examine and evaluate the harmony between the development objectives of the ministries and agencies with nation-wide competence concerned, as well as the regional development councils and the goals of regional policy,

g) express opinion on the sectoral development conceptions entailing by significant regional impacts,

h) co-ordinate the fulfilment of the duties compulsorily prescribed by Parliament for the local governments on the basis of Section 6, paragraph *d)*,

i) make a proposal for the joint fulfilment of certain regional development duties, extending beyond the border of the county,

j) participate in the co-ordination of the planning of national infrastructure (siting of facilities and networks), infrastructure of national significance and transboundary infrastructure.

(4) The Council shall unanimously establish its own rules of procedure. In the case of non-agreement, the rules of procedure shall be adopted at the reconvened meeting of the

Council, by a qualified majority, that is, with the votes cast by at least 50% of the members of the Council plus one person.

(5) The chairman of the Council shall be the Minister in charge of the fulfilment of regional development and regional planning duties (hereinafter: Minister).

(6) The Minister shall fulfil the duties of the Secretariat of the Council through his office organization.

(7) In case the Council accepts the objection of the Minister contained in Section 14, subsection (8), it may annul the provision of the county regional development council, found injurious in respect of the means indicated in Section 20, subsection (4), paragraphs *a)* and *b)*, and may request the council to make a new decision.

Duties of the Minister and Other Ministers

Section 9

(1) The Minister shall

a) prepare conceptions and proposals for the establishment of the national regional development policy, and shall implement its objectives in his duties of planning, co-ordination, organization and information;

b) work out the national regional development conception, shall co-ordinate the regional development conceptions and programmes of the country and the regions; shall participate in the elaboration of development programmes for the regions of priority and shall organize the fulfilment of the duties related to their implementation, and the use of the financial assets serving the above goal;

c) organize the development of joint national regional planning conceptions and plans, those of national significance and those with transboundary international scope, and shall provide for their preparation.

(2) In the course of the fulfilment of their duties, the ministers shall implement the goals laid down in this Act and shall take part in the fulfilment of governmental duties related to regional development and affecting their special fields. They shall, in particular:

a) take part in the elaboration and implementation of the regional development conceptions and programmes, as well as the sections of the regional plans which affect their scope of duties;

b) inform the Government annually on the major indices of the development carried out within their scope of duties;

c) take part in the work of the county regional development councils and the regional development councils.

Chapter III

REGIONAL AGENCIES PERFORMING REGIONAL DEVELOPMENT AND REGIONAL PLANNING, AND THEIR DUTIES

Association of Local Governments for Regional Development

Section 10

(1) The Bodies of Representatives of local governments of settlements may establish, on the basis of an agreement, a regional development association operating as an independent legal entity for the co-ordinated development of communities, the development of joint regional development programmes and a joint fund serving the implementation of developments.

(2) The agreement shall contain:

- a)* the name and seats of the participants in the association,
- b)* the scope of joint duties of planning and development to be fulfilled in the association,
- c)* the manner of fulfilment of the duties and the proportion of bearing their costs,
- d)* the rules of joining and leaving the association.

(3) Having requested the opinion of the regional development council of the county regionally concerned or the Budapest Conurbation Development Council or the Lake Balaton Development Council, the regional development conception and programme prepared by the association of local governments for regional development shall be approved by the association.

Duties of the County Local Government Related to Regional Development and Regional Planning

Section 11

(1) Duties of the county local government:

- a)* to prepare a regional plan for the area or region of the county, in accord with the plan defined in Section 6, paragraph *d)* and on the basis of the substantial requirements defined in Section 27, subsection (2), paragraph *b)*;
- b)* to co-ordinate regionally, on the basis of long-term prognoses, its duties to be fulfilled on a compulsory basis, in particular the educational, cultural, health-care and social duties, as well as the duties related to the conservation of the built and natural environment, tourism and public service, and to ensure their conformity with the economic development and employment policy conceptions of the county;
- c)* to co-ordinate, on the basis of the request of the settlement local governments of the county, the development activities of the settlements;

d) to co-operate with the local government of the town of county rank and with the local governments of the settlements concerned for the co-ordination of the regional plans affecting the environs of the town;

e) to co-operate with those who play an economic role in the county;

f) to take part in the establishment and operation of a regional information system, in co-operation with the county directorates of the Central Statistical Office and other regional data collection organizations, and to provide information for the preparation of regional plans;

g) to promote the organization of the associations of local governments for regional development on the basis of the request of settlement local governments;

h) to provide for harmony between the settlement plans and the regional plans of the county.

(2) The General Assembly of Representatives of the county shall:

a) take a stand on the long-term regional development conception of the county prior to the decision of the county regional development council, and shall accept the part of the decision of the county regional development council which concerns the local government, after the decision is made;

b) approve the regional plans of the county in accordance with the contents of Section 6, paragraph *d)*, taking into account the opinions of the settlement local governments concerned;

c) express opinion on the plans concerning its area of jurisdiction, defined in Section 6, paragraph *d)*.

(3)

County Regional Development Council

Section 12

(1) A county regional development council shall operate in the county to co-ordinate the regional development duties. The county regional development council shall be a legal entity seated in the county town.

(2) The agencies (local governments, chambers, Government) which are members of the county regional development council shall provide for the financial cover required for the operation of the county regional development council.

(3) The Government shall contribute to the operating costs defined in subsection (2) proportionally, to the extent defined in the Act on the Budget.

(4) The county regional development council shall establish its own work organization which shall fulfil the duties related to the preparation of the decisions of the regional development council.

(5) The county regional development council shall fulfil its duties related to employment policy in co-ordination with the County Labour Council.

Section 13

(1) In the course of fulfilling its duties, the county regional development council shall cooperate with the settlement local governments, the regional administrative agencies which participate in the development of the county directly and indirectly, the public and professional organizations concerned and with the county labour council.

(2) The county regional development council shall co-ordinate, in the territory of the county, the development conceptions of the Government, the local governments and their associations for regional development, as well as the economic organizations. Within the framework thereof, it shall

a) study and evaluate the social and economic situation and characteristic features of the county, and shall make available the information used in the course of the studies, as well as the results of examinations to the regional information system;

b) work out and approve, in accordance with the national regional development conception [Section 6, paragraph *a)*], the long-term regional development conception of the county (hereinafter: county regional development conception), and the development programme of the county and certain subprogrammes;

c) prepare a financial plan for the implementation of the development programmes;

d) may conclude an agreement with the ministries concerned on the financing of the individual county development programmes;

e) take part, pursuant to separate legal rules, in the preparation of the decisions on the appropriation of estimates serving regional equalization and of separated state funds, as well as in the evaluation of their use;

f) express opinion on the conceptions affecting its area of jurisdiction and defined in Section 6, paragraph *a)* and Section 7, paragraph *g)*;

g) participate in the management of social and economic crises that may arise in the county;

h) may collect resources for the operation of the council and the implementation of the development programmes.

(3) The county regional development council shall decide on the use of funds delegated to its competence and on the implementation of development within the framework of a competition system, taking into account the regional development conception of the county.

(4) The county regional development council may establish a committee with the participation of its members and those who are directly affected in crises management, on the basis of its own decision or the proposal of the Minister or other ministers, for the management of the social and economic crises in small regions.

(5) The county regional development council may conclude agreements for the purpose of fulfilling certain regional development duties extending beyond the border of the county.

Section 14

(1) The members of the county regional development council shall be as follows:

- a)* chairman of the General Assembly of Representatives of the county,
- b)* mayor(s) of the town(s) of county rank located in the territory of the county,
- c)* representative of the Minister,
- d)* representatives of the regional chambers of economy,
- e)* one representative of each statistical area of the associations of local governments for regional development, operating in the county,
- f)* one representative of the county labour council.

(2) Upon the initiative of the Minister, the county regional development council may also request another minister to take part as a member in the county regional development council, taking into account the social and economic characteristics of the county.

(3) The chairman of the General Assembly of Representatives of the county shall be the chairman of the county regional development council, its vice-chairman shall be elected for two years by the county regional development council itself. The county regional development council shall be represented by the chairman, or in his absence, by the vice-chairman.

(4) The organizational and operational regulations of the county regional development council shall be established by the council itself. The unanimous vote of all members shall be required for adopting the organizational and operational regulations. In case no consensus is reached, the decision-making shall be repeated once more following a new debate. If there is no unanimous decision in the second case either, the organizational and operational regulations shall be adopted by a qualified majority (50% of all members 1 person). Within the framework thereof, the organizations to be granted the right of consultation at the meetings of the body shall also be defined.

(5) The county regional development council shall regulate, within the framework of the organizational and operational regulations, the right of consultation at the meetings of the body, as well as the scope of duties and powers of the officers of the council.

(6) The representatives of the regional administrative agencies concerned by regional development and regional planning shall be invited to the meetings of the county regional development council on a permanent basis.

(7) The county regional development council shall have a quorum if more than one half of the members are attending.

(8) In the case of the non-content of the representative of the Minister, the Minister may initiate the renegotiation of the given issue within ten days. He may, however, exercise this right only on one occasion in the same matter. If he is outvoted on two occasions in the issue affecting Section 13, subsection (3), the Minister may require the decision of the National Regional Development Council.

(9) The following persons shall report, on a regular basis, on the work of the county regional development council and the position represented by it:

a) the chairman of the General Assembly of Representatives of the county to the General Assembly of Representatives of the county,

b) the mayor of a town of county rank to the General Assembly of Representatives of the town of county rank,

c) the representative of the Minister to the Minister,

d) the representative of the regional chamber of economy to the presidium,

e) the representative of the association of local governments for regional development to the representatives of local governments participating in the association,

f) the representatives of the county labour council to the county labour council.

Regional Development Council

Section 15

(1) The county regional development councils may establish a regional development council for the purpose of fulfilling certain regional development duties extending beyond the borders of the county. The regional development council shall be a legal entity.

(2) The elaboration of the regional development conception, the participation in the preparation of the regional plan and other joint regional development duties shall be fulfilled

a) in the region of the metropolitan conurbation, by Budapest Conurbation Development Council,

b) in the recreation area of priority of Lake Balaton, by the Lake Balaton Development Council.

(3) On the establishment of the regional development council, the county regional development councils concerned or the metropolitan local government shall agree, in respect of the duties defined in subsection (1), taking into account the duties listed in Section 13, on the scope of duties to be fulfilled within the framework of the regional development council.

(4) The agreement defined in subsection (3) shall also provide for

- a) the cover of operating costs,
- b) the name of the regional development council,
- c) its seat,
- d) its detailed activities.

(5) With regard to the regional councils contained in subsection (2), the statutes shall provide for the contents of subsection (4), paragraphs a), c) and d). The council of a large region contained in subsection (2) shall approve the statutes on the basis of the contents of Section 14, subsection (4).

Section 16

The regional development council shall agree with the county regional development councils and with the other participants in the regional development programmes on the financing of the programmes and developments.

Section 17

(1) Members of the regional development council shall be:

- a) the chairmen of the county regional development councils operating in the area of jurisdiction of the council (representative of the metropolitan local government),
- b) representatives of the Minister, the Ministers of Finance, the Interior, Environmental Protection, Economic Affairs, Transportation, Communications and Water Management, Social and Family Affairs, Health, Education, Finance and the Minister of National Cultural Heritage,
- c) one representative of each chamber of economy, furthermore,
- d) not more than six representatives of the associations of local governments for regional development concerned,

furthermore, in respect of the Budapest Conurbation Development Council:

- e) appointed representative of the Government,
- f) Lord Mayor, and in respect of the Lake Balaton Development Council:
- g) appointed representative of the Government.

(2) The representatives of the associations of local governments for regional development may participate in the regional development council with voting rights in the course of negotiating the development programmes affecting their regions. The Minister directing the Prime Minister's Office shall participate in the council's work with the right of consultation

(3) The regional development council shall elect a chairman from among its members, shall unanimously establish its rules of procedure itself and shall set up its work organization. In the case of non-agreement, the council shall adopt the rules of procedure at the repeated meeting of the council, with a qualified majority, that is, with the votes cast by at least 50% of the members of the council plus one person.

(4) The Budapest Conurbation Development Council and the Lake Balaton Development Council shall make a decision on the use of the funds delegated to their competence, and may conclude an agreement with the ministries concerned on the financing of individual development programmes.

Duties of Regional Administrative Agencies

Section 18

The regional administrative agencies shall participate in the execution and the control of implementation of the governmental duties related to regional development and regional planning, as well as in the co-ordination of regional development and regional planning by providing professional assistance and information and carrying out official inspection.

Section 19

(1) Certain regional planning duties falling within the scope of duties of the Minister shall be fulfilled by regional chief architects.

(2) The regional chief architect shall

a) express preliminary opinion on the regional and settlement plans concerning his area of jurisdiction, shall follow up their implementation on a continuous basis and shall initiate the modification of the above plans in justified cases,

b) express opinion on the national regional development programmes and the regional development programmes affecting his jurisdiction, as well as their harmony with the regional plans.

Chapter IV

MEANS OF REGIONAL DEVELOPMENT AND REGIONAL PLANNING

Funds Promoting Regional Development

Section 20

(1) The regional development goals shall be guaranteed by the co-ordinated operation of the general economic regulations and the normative funds, as well as the special funds applicable to the region.

(2) The central means of regional development, as indicated in a separate legal rule, are in particular as follows:

a) not more than 50 % of the total of budget estimates serving regional development goals (duties taken over from the Regional Development Fund) as well as of revenues specified in the annual budget act, originating from the privatisation of state property, available for regional development purposes,

b) financial benefits supporting entrepreneurs which may be used in particular areas.

(3) The following systems support regional development in the manner defined in a separate legal rule:

a) funds and budget estimates serving the development of the economy, employment and infrastructure,

b) fund determined in the annual Act on Budget, provided for the regional development programmes and goals of the budget resources of ministries,

c) funds of individual separated funds which may be used for regional development programmes and goals,

d) earmarked and target subsidies supporting settlement development by local governments.

(4) Regional means of regional development:

a) not less than 50% of the total of central budget estimates serving regional development goals (duties taken over from the Regional Development Fund) as well as of revenues specified in the annual budget act, originating from the privatisation of state property, available for regional development purposes,

b) funds for regional equalization operating within the framework of local government regulations and supporting the development of the infrastructure of local governments,

c) resources provided by the local governments of the region and local tax benefits.

(5) Other means of regional development:

a) grants and loans for regional development purposes,

b) voluntary contributions of business organizations and the organizations safeguarding the interests of all these, chambers of economy and other institutions.

In the interest of the effective implementation of the regional development goals, the goals of regional development shall be taken into account on the approval of the central budget and the individual programmes and developments:

- a) in the course of the development of the national infrastructure systems,
- b) in industrial and agricultural crisis management and professional political programmes,
- c) in employment policy,
- d) in the establishment of funds providing incentives for investments and undertakings, as well as serving project development,
- e) in the equalization mechanisms of local government regulations,
- f) in tourism,
- g) in tax policy,
- h) in social policy and health care,
- i) in cultural and public educational policy.

Section 22

(1) In the interest of the objectives of regional development goals, the Government may establish entrepreneurial zones in the regions concerned by industrial restructuring (in regions with permanent structural difficulties) or in regions which are determinant with regard to economic restructuring.

(2) Financial and other benefits, defined in a separate Act, shall be provided in the interest of regional development goals.

(3) Local governments and small regional associations may establish industrial parks and other development units in the interest of their special regional development goals.

Chapter V

SPECIAL RULES APPLICABLE TO REGIONAL PLANNING

Section 23

(1) The regional development conception, the regional development programme and the regional plan shall serve as the basis of regional planning.

(2) The regional plan shall define the land use forms applicable to the region in harmony with the goals established in the regional development conceptions.

(3) The regional plan shall, furthermore, contain:

- a) the spatial order of the technical and infrastructure systems of the region;

- b) the long-term regional structure of the region;
 - c) the expedient utilization of the characteristics of the individual regions;
 - d) the regional duties related to the environmental protection and landscape and nature conservation;
 - e) an environmental, social and economic impact assessment.
- (4) In the course of the preparation, co-ordination and approval of regional development and sectoral programmes, as well as settlement plans, the contents of the national, regional and county regional plans shall be also taken into account.
- (5) The objective of the regional plan, as defined in subsection (3), paragraph c), shall contain the regional aspects of sustainable development, the management of the environmental components and the quality of the environment.
- (6) The detailed rules applicable to regional planning are defined in separate legal rules.

Regional Information System

Section 24

- (1) In the interest of monitoring and predicting the regional characteristics and changes in the society, the economy and the environment, a regional information system shall be established and operated between the national, regional, county and settlement levels, with the provision of the exchange of information.
- (2) The data collecting and processing organizations shall supply information on a regular basis for the Minister, the county local governments and the towns of county rank in a regional breakdown in accordance with the provisions of a separate legal rule.

Publicity and Public Participation

Section 25

- (1) The regional development plans and regional plans shall be public.
- (2) Fact disclosing and general information shall be published with regard to the planning process and the approval of the plans in the mass media of the region concerned, or in the national mass media if required.
- (3) The detailed rules related to planning, in particular, the professional rules applicable to the preparation of the plans and the rules of their approval shall be established in a legal rule. The assessment of the professional contents of the regional plans shall be performed by plan councils defined in a separate legal rule.

Chapter VI

CLOSING PROVISIONS

Section 26

(1) This Act shall come into force on the 60th day following its promulgation. Section 2, paragraph *a*) of Act III of 1964 on Construction (hereinafter: CA) shall be simultaneously replaced by the following provision, and Section 4 of CA shall cease to be in force:

(Section 2 The following shall fall within the scope of the construction administration:)

"a) establishment, enforcement and control of application of the rules applicable to the planning of towns and villages;"

(2) Section 51, subsection (2) of Act XXXIII of 1991 on Transferring Some State Owned Assets Into the Ownership of Local Governments shall be replaced by the following provision and shall be complemented by the following subsections (3) and (7), while subsections (3), (4) and (5) shall simultaneously change to subsections (4), (5) and (6), respectively.

"(2) The manager of the real property shall inform the settlement local government competent where the land is situate, in the capital the district local government, as well as the Ministry of the Environment and Regional Policy about the value of the land situated in the inner area of the settlement shown in the balance sheet of assets."

"(3) The land office competent where the land is situate shall send a copy of the decision certifying the entry of the land situated in the inner area of the settlement included in the balance sheet of assets in the real estate register to the Ministry of the Environment and Regional Policy."

"(7) The other 50% of the purchase price part indicated in subsection (1) shall be paid to the account defined in a separate legal rule. In case the above obligation is not fulfilled, the provisions of Act XCI of 1990 on the Rules of Taxation shall apply."

(3) Resolution No. 84/1993 (XI. 11.) OGY on the Guidelines of the Subsidization of Regional Development and the Conditions of the Classification of Favoured Areas shall cease to be in force simultaneously with the coming into force of this Act.

(4) The county local government shall initiate the establishment of the county regional development council and the convening of the statutory meeting within thirty days reckoned from the coming into force of this Act.

(5) The regional development councils defined in Section 15, subsection (2) shall be established by 31 December 1996. The Minister shall perform the relevant organization work.

(6) The Minister shall provide for the conditions of the background institutions supporting the fulfilment of the state duties of regional planning and regional development by 31 December 1996.

(7) The provisions contained in Section 6, paragraph *e*) of the Act shall apply as of 1 January 1997. The contents of Section 27, subsection (1), paragraph *g*) shall govern with regard to the year 1996.

(8) The conception defined in Section 7, paragraph *a*), subparagraph *aa*) shall be submitted in 1996, simultaneously with the submission of the National Programme for Environmental Protection. Its supervision and renewal shall take place every six years, and the Government shall report to Parliament biennially on its execution.

Section 27

(1) The Government is hereby granted authorization to establish in a decree

a) the duties of the ministries and the agencies with nationwide competence related to regional development and regional planning;

b) the classification of the favoured areas;

c) the classification of the regions and the delimitation of the regions of priority;

d) the order of the coordination and approval of the regional development conceptions, programmes and regional plans;

e) the rules of the establishment and operation of the entrepreneurial zones;

f) the information system related to regional development and regional planning and the rules of compulsory provision of data;

g) the differentiated regional distribution of means as defined in Section 20, subsection (4), points *a*) and *b*) by taking into consideration principles as defined in Section 6, point *e*) of the Act, established by Parliament.

(2) The Minister is hereby granted authorization to establish in a decree

a)

b) the substantial requirements of the regional development conceptions, programmes and regional plans, and the rules applicable to the keeping records of the plans;

c) the group of those who are entitled to make regional development and regional plans and the conditions of qualification;

d) the rules of operation of the pla council.