

ACT 175/1999

**MEASURES CONCERNING PREPARATION
OF MAJOR INVESTMENTS ACT,**

**which also amends other legislation,
as amended by the Act 133/2004 Coll., and by the Act
542/2004 Coll.**

The National Assembly of the Slovak Republic passed this Act
as follows:

ARTICLE I

Section 1

Purpose of the Act

(1) The purpose of this Act is to simplify the procedure of
settlement of ownership title, which is necessary for the
preparation of projects referred to as “major investments”.

(2) The term “major investment” shall mean an establishment
to be used for production, the development of which shall be

organized by a resident legal entity (hereinafter referred to only
as "business"), as long as:

- a) the funds necessary for the development of the
establishment achieve not less than 1 billion Sk of
capital investments,
- b) the expected volumes of production and employment
are material in the context of the national economy, and
- c) the Slovak Government (hereinafter referred to only as
"Government") decides that the implementation of the
project would be in the public interest.

(3) The term “major investment” shall also mean any facility
intended for production (services), the development of which
shall be organized by an enterprise, which does not meet the
criteria under subsection 2a) above, as long as:

- a) the development of such facility is strictly necessary to
ensure the production within the major investment under
subsection 2 above, to which it is technically, technologically,
or logistically related, or if such a facility is to supply parts,
components, or semi-finished products for the production of

finished products thereby,

b) the expected volume of production (services) by such a facility, or its contribution towards the employment, is materials in the context of the development of the economy in the region,

c) the Government decides that the development of such a facility is in the public interest.

(4) If the investment is made within the boundaries of a region,¹⁾ in which the rate of unemployment achieves or exceeds 15% according to the statistic data of the Slovak Statistic Office as of the last day of the calendar half-year preceding the one, in which the application is filed, the amount under subsection 2a) above shall be reduced to one half.

Section 2

Business Land

(1) The simplified settlement of ownership title under this Act

¹⁾ Section 8 subsection 1 of the Act of the National Assembly of the Slovak Republic 221/1996 Coll. (Territorial and Administrative Organization of the Slovak Republic Act).

shall only apply to those pieces of land and structures erected thereupon, which are strictly necessary for the business, and which are to be used for the development of the production establishment, including any related and accessory structures and facilities (hereinafter referred to only as "business land").

(2) The term “related and accessory structures and facilities”, which are part of the business land, as described in subsection 1 above, shall include, but not be limited to those structures and facilities, which are strictly necessary for the development and operation of the production establishment, and are directly related thereto, in particular facilities used for the preparation of the construction, infrastructure, energy sources, energy distribution facilities, wastewater treatment facilities, sewage network, emissions separation facilities, underground and ground distribution networks, and regulation and control equipment related to the structure.

Section 3

Certificate

(1) Subject to the satisfaction of the criteria set forth in Section

1 subsection 2 above, the Ministry of Economy of the Slovak Republic shall issue to the business, upon its request, a Certificate of Major Investment.

(2) The Certificate above shall include the identification data of the business and the business land. The Certificate shall be attached by the business to the request of commencement of planning proceedings¹⁾ and to the request of commencement of expropriation proceedings.²⁾

Transfer of Ownership Title

Section 4

(1) If a Certificate is issued to a business as provided in Section 3 above,

a) the administrator of the business land, the ownership title to which is held by the Slovak Republic, shall be obliged to transfer the business land to the business against consideration,

¹⁾ Section 35 subsection 1 of the Act 50/1976 Coll. (Planning and Building Regulations Act (Building Act), as later amended.

²⁾ Section 112 subsection 2 of the Act 50/1976 Coll.

b) the Slovak Land Fund shall be obliged to transfer to the business, against consideration, any business land, to which it has disposition rights.³⁾

(2) The transfer agreements referred to in subsection 1 above shall be undersigned not later than 30 days from the date of receipt of an agreement proposal made by the business, to which the Certificate referred to in Section 3 above shall be attached, unless the parties agree otherwise.

(3) Business land shall be transferred as provided in subsection 1 above at a price determined pursuant to special legislation.⁴⁾

³⁾ Section 16 subsection 1b) and c) of the Act of the National Assembly of the Slovak Republic 180/1995 Coll. (Certain Measures concerning Settlement of Ownership Title to Land Act).

⁴⁾ e.g. Section 11 subsection 3 of the Act of the National Assembly of the Slovak Republic 278/1993 Coll. (Administration of Public Property Act, as amended by the Act of the National Assembly of the Slovak Republic 374/1996 Coll. and by the Act 72/1999 Coll.), Section 18 subsection 4 of the Act of the National Assembly of the Slovak Republic 180/1995 Coll. (Certain Measures concerning Settlement of Ownership Title to Land Act, as amended by the finding of the Slovak Constitutional Court 131/1996 Coll., and by the Act 80/1998 Coll.), Decree of the Ministry of Justice of the Slovak Republic 86/2002 Coll. (Decree on Determination of General Value of Property, as amended by the Decree of the Ministry of Justice of the Slovak Republic 576/2003 Coll.)

Section 5

On the date of registration of the ownership title of the business to the business land into the Register of Real Estate, rights of third parties to such land shall cease to exist. Any damage incurred by third parties due to the cessation of their rights to the business land, shall be indemnified by the business, unless otherwise provided in the business land transfer agreement. If the rights of third parties to the business land arise after only after the decision of the Government under Section 1 subsection 2c) above is taken, and without any authorization on the part of the business, the damage above shall be indemnified by the party, which established such rights of third parties to the business land, or which permitted the same to be established.

Section 6

Interim Provisions

(1) The term “major investment” shall also include any projects, the need for the implementation of which arises out of an agreement made between the Government and a non-resident legal entity prior to the effective date of this Act.

Subject to the satisfaction of the criteria set forth in Section 1 subsection 2a) and b) above, the Ministry of Economy of the Slovak Republic shall issue to the business upon its request the Certificate referred to in Section 3 within 30 days from the effective date of this Act.

(2) If one of the parties to the agreement under subsection 1 above is a resident legal entity, the obligations imposed by Sections 4 and 5 above shall apply also to such a resident party, unless the agreement under subsection 1 provides otherwise. If such a legal entity or its successor-in-law enters into liquidation or if a bankruptcy order is made, the obligations imposed by Sections 4 and 5 above shall pass over to the liquidator or to the bankruptcy receiver on the effective date of this Act.

ARTICLE II

The Act 50/1976 Coll. (Planning and Building Regulations Act (Building Act), as amended by the Act 103/1990 Coll., Act 262/1992 Coll., Act of the National Assembly of the Slovak Republic 136/1995 Coll., Act of the National Assembly of the

Slovak Republic 199/1995 Coll., finding of the Slovak Constitutional Court 286/1996 Coll., and by the Act 229/1997 Coll.), shall hereby be amended as follows:

1. A new letter o) shall be inserted in Section 108 subsection 2 to read as follows:

"o) development of projects, which are regarded as major investments pursuant to special legislation.^{10ja)}".

The footnote 10ja shall read as follows:

"^{10ja)} Sections 1 and 6 of the Act 175/1999 Coll. (Measures Concerning Preparation of Major Investments Act, which also amends other legislation)".

2. A new subsection 4 shall be inserted in Section 111 to read as follows:

"(4) Any indemnities, which cannot be paid due to the fact that inheritance proceedings or court proceedings are still pending after the date of enforceability of the expropriation decree, or

due to the fact that no beneficiary has been appointed, shall be transferred to the Slovak Land Fund, which shall treat the same as indemnities for the expropriation of the land, to which it has disposition rights.^{10ka)}".

The footnote 10ka shall read as follows:

"^{10ka)} Section 17 subsection 3 of the Act of the National Assembly of the Slovak Republic 180/1995 Coll. (Measures Concerning Preparation of Major Investments Act, which also amends other legislation)".

3. At the end of Section 111b subsection 1 a new sentence shall be inserted to read as follows:

"If it is possible to pay indemnity for expropriated land by transferring title to an alternative piece of land, and if the beneficiary so agrees, such a form of settlement shall have priority over payment of the indemnity in cash."

4. A new Section 113a shall be inserted after Section 113 to

read as follows:

"Section 113a

(1) If with respect to any building or piece of land to be expropriated, there is no owner recorded in the Register of Real Estate, or if the ownership title thereto is to be decided by pending inheritance or court proceedings, the party to the expropriation proceedings shall be:

- a) the Slovak Land Fund as regards any pieces of land, to which it has disposition rights,
- b) the parties to the inheritance proceedings and the Slovak Land Fund, as regards a building or a piece of land, the ownership title to which is to be decided by pending inheritance proceedings, up to the date, on which the decision becomes final and non-appealable,
- c) the parties to the court proceedings, and the Slovak Land Fund, as regards a building or a piece of land, the ownership title to which is to be decided by pending court proceedings, up to the date, on which the decision becomes final and non-appealable.

(2) If the building or the piece of land have not been surrendered in accordance with special legislation^{10m)} due to the fact that the decision concerning the identity of the beneficiary is still pending, the parties to the expropriation proceedings shall be the obligor and the Slovak Land Fund, up to the date, on which the decision designating the beneficiary becomes final and non-appealable."

The footnote 10m shall read as follows:

"^{10m)} e.g. Act 403/1990 Coll. (Redressment of Aftereffects of Some Property Damage Act, as later amended), Act 87/1991 Coll. (Extra-Court Rehabilitation Act, as later amended), Act 229/1991 Coll. (Settlement of Ownership Title to Land and Other Agricultural Property Act, as later amended), Act of the National Assembly of the Slovak Republic 282/1993 Coll. (Alleviation of Some Property Damage Caused to Churches and Religious Societies Act)."

ARTICLE III

The Act 229/1991 Coll. (Settlement of Ownership Title to

Land and Other Agricultural Property Act, as amended by the Act 42/1992 Coll., Act 93/1992 Coll., Act of the National Assembly of the Slovak Republic 186/1993 Coll., Act of the National Assembly of the Slovak Republic 205/1996 Coll., Act 64/1997 Coll., Act 80/1998 Coll., and by the Act 72/1999 Coll.), shall hereby be amended as follows:

A new letter g) shall be inserted in Section 11 subsection 1 to read as follows:

"g) a piece of land may be expropriated in the public interest.^{10b)}".

The footnote 10b shall read as follows:

"^{10b)} Section 108 subsection 2 of the Act 50/1976 Coll. (Planning and Building Regulations Act (Building Act), as later amended".

ARTICLE IV

This Act shall come into effect on August 1, 1999.