

Act LXXXVII of 2013

on the Transparency of Campaign Costs related to the Election of the Members of the National Assembly

The National Assembly hereby adopts the following Act in order to make campaign budgets transparent and thereby promote equal opportunities for candidates and nominating organisations, establish the conditions for the *bona fide* and proper exercise of rights, and protect the fairness of the election of the Members of the National Assembly:

1. State support for election campaign activities

Section 1 (1) At the general elections and by-elections of the Members of the National Assembly, each representative candidate for a single mandate constituency (hereinafter referred to as candidate) shall be entitled to support from the central budget amounting to one million HUF.

(2) From the year following the general election of the Members of the National Assembly after the entry into force of this Act, the amount of the support shall be increased by the consumer price index determined by the Hungarian Central Statistical Office for the year preceding the year in question.

(3) The support may only be used during the election campaign period to cover real costs related to campaign activities as defined in the Act on Electoral Procedures.

Section 2 (1) The support described in Section 1 shall be provided to the candidate by the Treasury.

(2) The Treasury shall sign an agreement with the candidate in order to disburse the amount of the support according to Section 1 based on the notification according to Subsection (3) within 5 working days after the registration of the candidate becomes effective. On the basis of this agreement, the Hungarian State Treasury shall open a card coverage account in compliance with the applicable regulations, and make arrangements for the issuance of the Treasury card.

(3) The Treasury shall be notified of the fact that the registration of the candidate has become effective, along with the designation of the party nominating the candidate by the National Election Office on the day after the registration of the candidate becomes effective.

(4) The candidate may make payments from the card coverage account of the Hungarian State Treasury according to Section (2), using the Treasury card or by way of transfer, only to cover the expenses identified in Subsection (3) of Section 1.

(5) According to Section (2) the Treasury card cannot be used to withdraw cash.

(6) Expenses shall be eligible for support according to Section 1 on the basis of an invoice or an accounting document issued in compliance with the provisions of the Act on Accounting and the Act on Value Added Tax, which shall indicate the designation of the relevant single mandate constituency.

(7) All costs associated with the production and use of the Treasury card according to Subsection (2) shall be covered by the State.

Section 2/A (1) The candidate for a single mandate constituency, nominated by a party setting up a party list entitled to the support defined in Section 3, may make a written statement to the Treasury, at the latest on the day following their registration becoming effective, on waiving their right to use the support according to Section 1 and on making it available for use by the party nominating them.

(2) In the case described in Subsection (1), at the initiative of the party nominating the candidate, the Treasury shall sign an agreement with the party nominating the candidate in order to disburse the amount of the support according to Section 1.

(3) In the case described in Subsection (1), on the basis of the agreement, the Hungarian State Treasury shall open a card coverage account for each party nominating candidates in compliance with the applicable regulations, and make arrangements for the issuance of the Treasury card.

(4) In the case described in Subsection (1), the support according to Section 1 shall be disbursed to the card coverage account of the Hungarian State Treasury of the party nominating the candidate together with the second instalment of the support according to Section 3. The party nominating the candidate may make payments from the card coverage account of the Hungarian State Treasury using the Treasury card or by way of transfer, only to cover

the expenses identified in Subsection (3) of Section 1. The Treasury card cannot be used to withdraw cash. All costs associated with the production and use of the Treasury card shall be covered by the State.

(5) In the case described in Subsection (1), expenses shall be eligible for support according to Section 1 on the basis of an invoice or an accounting document issued in compliance with the provisions of the Act on Accounting and the Act on Value Added Tax.

Section 3 (1) At the general election of the Members of the National Assembly, the parties setting up a party list shall be entitled to the following amounts from the central budget specified in Section 5:

- a) 15% of the amount specified in Section 5 if they nominate a candidate in at least twenty-seven,
- b) 30% of the amount specified in Section 5 if they nominate a candidate in at least fifty-four,
- c) 45% of the amount specified in Section 5 if they nominate a candidate in at least eighty,
- d) 60% of the amount specified in Section 5 if they nominate a candidate in all

single mandate constituencies.

(2) For the purposes of Subsection (1), parties setting up a joint party list shall be considered as a single party.

Section 4 (1) The national minority self-governments setting up a nationality list at the general election of the Members of the National Assembly shall be jointly entitled to support from the central budget amounting to 30% of the amount specified in Section 5.

(2) From the support according to Subsection (1), the National Election Committee shall determine the exact amount due to each national minority self-government setting up a nationality list at the general election of the Members of the National Assembly after the deadline set forth in the Act on Electoral Procedures for the announcement of national lists has expired, promptly after all resolutions on the registration of announced nationality lists have become effective, according to the procedure described Annex 1, and notify the Treasury of this decision via the National Election Office.

(3) The total number of minority voters, as recorded in the central register of voters, shall be determined by the National Election Committee on the day following the expiry of the deadline specified in the Act on Electoral Procedures for the announcement of the national list.

Section 5 (1) The support according to Section 3 and Section 4 shall be based on the product of the total number of mandates that can be acquired at the general election of the Members of the National Assembly multiplied by five million HUF.

(2) From the year following the general election of the Members of the National Assembly after the entry into force of this Act, the amount according to Subsection (1) shall be increased by the consumer price index determined by the Hungarian Central Statistical Office for the year preceding the year in question.

Section 6 (1) The support according to Section 3 and Section 4 may only be used during the election campaign period to cover real costs related to election campaign activities.

(2) In its resolution on the registration of the party list, the National Election Committee shall determine entitlement to support according to Section 3.

(3) The Treasury shall disburse to the parties

a) the first instalment of the support according to Section 3 based on the notification according to Subsection (5), within 3 working days after the registration of the party list becomes effective,

b) the second instalment of the support according to Section 3 based on the notification according to Subsection (5), within 5 working days after the procedure for the registration of all candidates of the party for single mandate constituencies becomes effective.

(4) The amount according to Item a) of Subsection (3) shall be determined based on the number of the party's candidates for single mandate constituencies finally registered on the day when the registration of the party list becomes effective, according to Subsection (1) of Section 3. The amount according to Item b) of Subsection (3) equals to the difference between the support provided to the party according to Section 3 and the amount according to Item a) of Subsection (3).

(5) The National Election Office shall notify the Treasury of the required number of candidates of parties setting up a party list necessary for disbursing the support according to Section 3

a) on the day after the registration of the party list becomes effective,

b) on the day after the procedure for the registration of all candidates of the party for single mandate constituencies becomes effective.

The National Election Office shall send the agreement according to Subsection (7) to the Treasury on the day after the registration of the joint party list becomes effective.

(6) The support according to Section 4 shall be disbursed to the national minority self-government by the Treasury after the deadline set forth in the Act on Electoral Procedure for the announcement of national lists has expired, within 5 working days after all resolutions on the registration of announced nationality lists have become effective.

(7) The support of parties setting up a joint party list according to Section 3 shall be provided to the parties on the basis of an agreement between the parties setting up a joint party list. The agreement on the distribution of the support according to Section 3 shall be submitted to the National Election Committee simultaneously with the announcement of the joint party list.

(8) The Treasury shall not adopt a resolution on the disbursement of the support according to Section 3 and Section 4.

2. Limitation of the costs of election campaigns

Section 7 (1) To cover their costs related to election campaign activities during the election campaign period,

a) the independent candidate,
b) the party nominating a candidate or setting up a party list and the candidate thereof together, for each candidate,
c) the national minority self-government setting up a nationality list at the general election of the Members of the National Assembly, for each candidate
may use a maximum of five million HUF.

(2) From the year following the general election of the Members of the National Assembly after the entry into force of this Act, the amount according to Subsection (1) shall be increased by the consumer price index determined by the Hungarian Central Statistical Office for the year preceding the year in question.

(3) The use of the support according to Sections 1, 3 and 4 shall be counted towards the total amount spent on the election campaign activities.

(4) When determining the total amount that may be used by a party to finance election campaign activities,

a) the number of candidates for single mandate constituencies and
b) the number of candidates on the national list, but not more than the number of mandates that can be obtained from the national list,
shall be taken into account.

(5) When determining the total amount that may be used by a party to finance election campaign activities, persons nominated in both a single mandate constituency and in the national list shall be taken into account according to the number of nominations. For the purposes of this Section, parties nominating joint candidates or setting up a joint party list shall be considered as a single party.

(6) When determining the total amount that may be used by a national minority self-government setting up a nationality list at the general election of the Members of the National Assembly to finance election campaign activities, the number of candidates on the national list, but not more than the number of mandates that can be obtained from the national list, shall be taken into account.

(7) If the amount that may be used by a party nominating a candidate or setting up a party list or by a national minority self-government setting up a nationality list at the general election of the Members of the National Assembly to finance election campaign activities according to Subsection (1) is less than the support according to Section 3 or Section 4, then the total amount that may be spent on election campaign activities according to Subsection (1) shall be equal to the amount of support according to Section 3 or Section 4.

3. Reporting and monitoring of the costs of election campaigns

Section 8 (1) If a candidate signs an agreement with the Treasury according to Section 2, they shall submit a financial statement to the Treasury within 15 days after the individual results of the election of the Members of the National Assembly in the relevant single mandate constituency have become effective, and attach to the statement the copies of all accounting documents concerning the use of the amount of support according to Section 1.

(2) The review of the statement by the Treasury shall focus on verifying compliance with the provisions of Section 1 and Section 2, and, in particular, whether

a) the expenses can be considered as real costs according to the regulations on public finances,
b) the documentation of the expenses complies with the provisions of the Act on Accounting and the Act on Value Added Tax,
c) the expenses were paid during the campaign period using the Treasury card or by way of transfer.

(3) A candidate who

a) fails to submit a statement within the deadline specified in Subsection (1) shall pay double the amount of support according to Section 1, or

b) submits a statement, but the statement is, in whole or in part, not approved by the Treasury, shall pay double the amount of support according to Section 1 that has not been properly reported to an account of the Hungarian State Treasury defined by the Treasury.

(4) If a candidate

a) fails to obtain at least 2% of the valid votes cast in the single mandate constituency,

b) drops out based on the Act on Electoral Procedures, except if they die prior to the election, shall pay back the amount of support according to Section 1 to the Treasury.

(5) The National Election Office shall notify the Treasury of the information specified in Subsection (4) on the day after the results of the election in the relevant single mandate constituency have become effective.

(6) The Treasury shall adopt a resolution on the payment obligation described in Subsection (3) and Subsection (4), against which no appeal shall lie. The payment shall be due on the fifteenth day after the court has approved the resolution adopted by the Treasury or after the deadline for launching the procedure has expired without a procedure being launched.

(7) If a candidate fails to meet their payment obligation within the deadline specified in Subsection (6), the Treasury shall propose the collection of the debt by the National Tax and Customs Administration of Hungary as a tax. Upon the proposal of the Treasury, the National Tax and Customs Administration of Hungary shall arrange for the collection of the debt as a tax.

Section 8/A (1) A party setting up a party list shall submit an aggregated financial statement to the Treasury on all support according to Section 1 to be used by it and disbursed to it according to Section 2/A within 15 days after the list results of the election of the Members of the National Assembly in the relevant single mandate constituency have become effective, and attach to the statement the copies of all associated accounting documents.

(2) The review of the aggregated statement by the Treasury shall focus on verifying compliance with the provisions of Section 1 and Section 2/A, and, in particular, whether

a) the expenses can be considered as real costs according to the regulations on public finances,

b) the documentation of the expenses complies with the provisions of the Act on Accounting and the Act on Value Added Tax,

c) the expenses were paid during the campaign period using the Treasury card or by way of transfer.

(3) A party setting up a party list that

a) fails to submit a statement within the deadline specified in Subsection (2) shall pay double the amount of support according to Section 1, disbursed according to Section 2/A, or

b) submits a statement, but the statement is, in whole or in part, not approved by the Treasury, shall pay double the amount of support according to Section 1, disbursed according to Section 2/A, that has not been properly reported to an account of the Hungarian State Treasury defined by the Treasury.

(4) If a candidate making a statement according to Subsection (1) of Section 2/A

a) fails to obtain at least 2% of the valid votes cast in the single mandate constituency,

b) drops out based on the Act on Electoral Procedure, except if they die prior to the election, the party nominating them shall pay back the support according to Section 1, disbursed according to Section 2/A, to the Treasury in an amount increased by double the base rate of the central bank valid at the time of disbursement.

(5) The National Election Office shall notify the Treasury of the information specified in Subsection (4) on the day after the results of the election in the relevant single mandate constituency have become effective.

(6) The Treasury shall adopt a resolution on the payment obligation described in Subsection (3) and Subsection (4), against which no appeal shall lie. The payment shall be due on the fifteenth day after the court has approved the resolution adopted by the Treasury or after the deadline for launching the procedure has expired without a procedure being launched.

(7) If a party setting up a party list fails to meet its payment obligation within the deadline specified in Subsection (6), the Treasury shall propose the collection of the debt by the National Tax and Customs Administration of Hungary as a tax. Upon the proposal of the Treasury, the National Tax and Customs Administration of Hungary shall arrange for the collection of the debt as a tax.

Section 8/B (1) Within one year from the election, the State Audit Office of Hungary shall, ex officio, perform a compulsory audit at the Treasury or, if necessary, at the candidate or, in the case according to Section 2/A, at the party nominating the candidate, concerning the use of the support according to Section 1 with respect to the candidates who have obtained a mandate in the National Assembly. The State Audit Office of Hungary shall communicate its audit findings to the Treasury. If the State Audit Office of Hungary reveals methods of use that do not comply with the provisions of Sections 1, 2 or 2/A, then the candidate or, in the case according to Section 2/A, the party nominating the candidate shall pay to the Treasury an amount determined by the Treasury, which must be

commensurate with the infringements related to non-compliance with any of the criteria for support according to Section 1, but not more than double the amount of support according to Section 1.

(2) The Treasury shall adopt a resolution on the payment obligation described in Subsection (1), against which no appeal shall lie. The payment shall be due on the fifteenth day after the court has approved the resolution adopted by the Treasury or after the deadline for launching the procedure has expired without a procedure being launched.

(3) If a candidate or, in the case according to Section 2/A, the party nominating the candidate fails to meet their obligation described in Subsection (1) within the deadline specified in Subsection (2), the Treasury shall propose the collection of the debt by the National Tax and Customs Administration of Hungary as a tax. Upon the proposal of the Treasury, the National Tax and Customs Administration of Hungary shall arrange for the collection of the debt as a tax.

Section 8/C (1) The party setting up a party list shall pay back to the Treasury the part of the support according to Section 3 that has been used for a candidate who dropped out of the general election of the Members of the National Assembly based on the Act on Electoral Procedures, except if they die prior to the election.

(2) The party setting up a party list shall pay back to the Treasury the support according to Section 3 if the party list drops out of the general election of the Members of the National Assembly based on the Act on Electoral Procedures.

(3) The Treasury shall determine the payment obligation according to Subsection (1) by appropriately applying the provisions of Section 3, based on the number of candidates who have not dropped out of the general election of the Members of the National Assembly based on the Act on Electoral Procedures.

(4) The party setting up a party list shall pay back to the Treasury the support to be refunded according to Subsections (1) and (2) in an amount increased by double the base rate of the central bank valid at the time of disbursement.

(5) The National Election Office shall notify the Treasury of the information specified in Subsections (1) and (2) on the day after the final results of the election have become effective.

(6) The Treasury shall adopt a resolution on the payment obligation described in Subsections (1) and (2), against which no appeal shall lie. The payment shall be due on the fifteenth day after the court has approved the resolution adopted by the Treasury or after the deadline for launching the procedure has expired without a procedure being launched.

(7) If a party setting up a party list fails to meet its payment obligation within the deadline specified in Subsection (6), the Treasury shall propose the collection of the debt by the National Tax and Customs Administration of Hungary as a tax. Upon the proposal of the Treasury, the National Tax and Customs Administration of Hungary shall arrange for the collection of the debt as a tax.

Section 9 (1) All candidates and nominating organisations shall publish in the Official Gazette of Hungary the amount, source and use of state and other funds spent on the election within 60 days after the election of the Members of the National Assembly.

(2) The use of state and other funds according to the Act on the Operation and Financial Management of Political Parties spent on the election shall be audited by the State Audit Office of Hungary with respect to the candidates who have obtained a mandate in the National Assembly and their nominating organisations *ex officio*, and with respect to other candidates and nominating organisations at the request of other candidates or nominating organisations.

(3) Requests for an audit according to Subsection (2) may be submitted within 3 months after the election of the Members of the National Assembly. The request shall be accompanied by a motion to present evidence.

(4) If a candidate or a nominating organisation violates the provisions set forth in Section 7, they shall pay back to the central budget double the amount by which they have exceeded the total maximum amount that may be spent on the election according to Section 7 within 15 days after receiving a notice from the State Audit Office of Hungary.

(5) If the candidate or the nominating organisation fails to meet their obligation described in Subsection (4), the State Audit Office of Hungary shall communicate its audit findings to the Treasury. The Treasury shall adopt a resolution on the payment obligation described in Subsection (4), against which no appeal shall lie. The payment shall be due on the fifteenth day after the court has approved the resolution adopted by the Treasury or after the deadline for launching the procedure has expired without a procedure being launched.

(6) If a candidate or a nominating organisation fails to meet their obligation described in Subsection (5) within the specified deadline, the Treasury shall propose the collection of the debt by the National Tax and Customs Administration of Hungary as a tax. Upon the proposal of the Treasury, the National Tax and Customs Administration of Hungary shall arrange for the collection of the debt as a tax.

4. Final provisions

Section 10 The minister in charge of public finances shall be authorised to specify by decree:

- a) the method of providing support according to this Act and the rules concerning the agreement according to Subsection (2) of Section 2 and Subsection (2) of Section 2/A,
- b) the detailed rules for the use of the card coverage account of the Hungarian State Treasury and the Treasury card,
- c) the detailed rules for the reporting, control and repayment of support according to Section 1, as well as for related audits,
- d) the detailed procedural rules in connection with the repayment obligation according to Section 8/C.

Section 11 (1) This Act shall enter into force on the day following its proclamation, with the exception defined in Subsection (2).

(2) Sections 1-9, Section 13, Section 14, and Annexes 1 and 2 shall enter into force on 1 January 2014.

Section 12 The following provisions of this Act:

- a) Sections 1-11 and Annex 1 pursuant to Article 2(1) of the Fundamental Law,
- b) Section 13 and Annex 2 pursuant to Article VIII(4) of the Fundamental Law,
- c) Section 15 pursuant to Article XXIX(3) of the Fundamental Law

shall be considered essential.

Sections 13-14

Section 15

Annex 1 to Act LXXXVII of 2013

Distribution of the support according to Subsection (1) of Section 4

The amount of support provided to national minority self-governments setting up a nationality list at the general election of the Members of the National Assembly shall be distributed according to the following procedure:

- a) The number of voters registered in the central register of voters as minority voters (hereinafter referred to as total number of minority voters) must be totalled.
- b) Two-thirds of the amount according to Subsection (1) of Section 4 must be divided by the total number of minority voters. The integer value of the resulting quotient shall be the support to be provided for one minority voter (hereinafter referred to as the quota).
- c) The number of minority voters, as recorded in the central register of voters, shall be multiplied by the quota for each national minority self-government setting up a nationality list at the general election of the Members of the National Assembly. The resulting sum shall be the primary amount provided to a national minority.
- d) One-third of the amount according to Subsection (1) of Section 4 shall be distributed evenly among the national minority self-governments setting up a nationality list at the general election of the Members of the National Assembly. The resulting sum shall be the secondary amount provided to a national minority.
- e) If any amount remains unused after this procedure, it shall be distributed evenly among the national minority self-governments setting up a nationality list at the general election of the Members of the National Assembly. The resulting sum shall be the tertiary amount provided to a national minority.
- f) The amount received according to Items a)-e) shall be the amount of support due to a national minority self-government setting up a nationality list at the general election of the Members of the National Assembly.