CZ: What is a territorial reserve?

Under the Building Act, a territorial reserve is understood as an area or corridor defined in the principles for land development and land-use plan. It serves as a special tool for land-use planning, the purpose of which is to verify the possibility of a certain future use of the defined territory.

The prospective use of the territorial reserve must be stated in the land-use planning documentation, and represents the actual significance and purpose of the defined territorial reserve. Such future use may be transport infrastructure, accumulation of surface water or other long-term objectives.

For the owner of the land in question, demarcation of the territorial reserve results in the prohibition of modifications to the existing use in a manner that would make using the territory considerably more difficult or impossible.

However, if reading this has given you the impression that accepting a territorial reserve equates to a limitation of the ownership right for which the owner must be compensated, you are mistaken. In accordance with a recent Supreme Court ruling, the territorial reserve is only a temporary measure and does not restrict the owners of the land entirely. There is therefore no entitlement in principle to any compensation for a limitation to ownership rights as a consequence of a territorial reserve (see Judgment No. 22 Cdo 4304/2015 of 14 December 2016).

Tomáš Mls

CZ: How to challenge decisions adopted by assemblies of unit owners?

If there is an important reason, the outvoted unit owner (or even the owners association itself, if it owns the unit) may petition the court to decide on the matter.

In this way, the law protects unit owners. It establishes the right of the unit owner who has been outvoted by the assembly and who disagrees with a decision adopted by the assembly to petition the court to decide on the matter which is the subject of the decision in question.

Given that the courts' decision-making in matters of owners associations is a public intervention into private law, the law permits this procedure only in justified and entirely exceptional cases. The right to apply to a court with a petition to review a resolution adopted by an assembly of unit owners is therefore limited **in substance and in time**. Firstly, there must be an ***important reason*** for the review. Secondly, a review request can only be filed **within three months** of the date on which the unit owner learned about the decision or could have learned about it.

While the time limitation of the possibility to exercise the right to review a resolution is not a problem in practice, assessing what constitutes an "important reason" can be problematic even for the courts.

The Supreme Court of the Czech Republic concluded that **the seriousness of the reason must be assessed objectively according to the gravity of the content of the contested resolution**, i.e. according to the significance of the matter decided by the resolution in question. It must therefore be a **decision on a matter which directly affects either the actual legal status of the unit owners or the substance of the property in their ownership in terms of the purpose of its use**. It follows from the judgments that **the issue of increasing payments to the repairs fund cannot be regarded as such a matter, unless in the specific case the increase is extreme**.

Dominika Veselá

SK: Pre-emption institute will allow the state to build motorways on foreign land

On 2 June 2017, an amendment to Act No. 669/2007 Coll., on One-off Extraordinary Measures in the Preparation of Some Motorway and Road Construction Projects for Motor Vehicles, introducing the new legal institute of pre-emption into Slovak law, came into effect.

A decision on pre-emption is issued in the context of an expropriation proceeding at the expropriator's proposal. With the pre-emption decision, the expropriator acquires the right to execute construction works on land and buildings before the end of the expropriation process and therefore on foreign land and buildings. An appeal against a decision on pre-emption does not have suspensory effect.

During the term of the pre-emption, rights under lease agreements and easements do not apply. The requested range of works may be changed by the expropriator during the expropriation procedure. The expropriated person is entitled to financial compensation equal to the total value of the rent determined by an expert opinion. The entitled party under an easement also has the right to financial compensation. If pre-emption is cancelled, the expropriator is obliged to return the expropriated property to the original condition.

On 19 June 2017, a group of deputies of the National Council submitted a petition to the Constitutional Court to examine the conformity of this amendment with the Constitution of the Slovak Republic.

Petra Štrbová Marková

CZ: Signage on leased business premises

Under the Trades Licensing Act, every establishment must be visibly and permanently marked with the corporate name, name or first name and surname of the entrepreneur, and his/its identification number. If you are leasing the premises, the landlord will usually not hinder you from marking the business establishment as legally required, as the information will fit on a small label on the door.

However, a different situation arises if you intend to mark the leased property in an attractive way and, if possible, with a highly visible advertisement.

The Civil Code addresses these situations. According to it, **the tenant-entrepreneur may with the consent of the landlord hang labels, signs and similar indications on leased commercial premises to a reasonable extent.** The landlord can only refuse to grant consent for a serious reason. Refusal to grant consent would certainly be apt in a situation where an inappropriate sign or inappropriate implementation of the sign would cause damage to the landlord, or if the sign or its content is contrary to good morals.

At the same time, it should be noted that **if the landlord does not respond within one month** from the receipt of the written request from the tenant for approval of the placement of the external sign, **the landlord's consent is considered granted**.

Whether you are a tenant or a landlord, we recommend that you regulate the placement of advertising signs on leased properties in the lease agreement, including the specifications of the planned sign (visualisation, size and location on the property), matters of installation and removal at the end of the lease (i.e. who will arrange for the installation and removal and who will bear the associated costs) and any fees for the placement of the sign during the lease period.

In conclusion, due to the transitional provisions of the new Civil Code, the aforementioned provisions also apply to lease agreements concluded before 1 January 2014, i.e. prior to the effectiveness of the new Civil Code.

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