

LCQ13: Assessments to rates for properties on agricultural lands

Following is a question by the Hon Wu Chi-wai and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (May 23):

Question:

The Director of Audit recommended in the Report No. 66 of the Director of Audit, which was published in April 2016, that the Rating and Valuation Department (RVD) should seek the assistance of the Lands Department (LandsD) in providing information on cases of unauthorised change of use of agricultural land and relevant buildings identified in the course of LandsD's law enforcement work, so that RVD could take appropriate actions promptly on cases ineligible for rates exemption. To this end, RVD and LandsD have put in place, since May 2016, a notification mechanism (notification mechanism) under which the District Land Offices (DLOs) in the New Territories will copy to RVD the warning letters issued for unauthorised structures on agricultural land, and RVD will give priority to handling lands and properties with higher rateable values. In this connection, will the Government inform this Council:

(1) of the number of properties on agricultural lots in the New Territories assessed to rates in each of the past 5 years; in respect of such properties, the (i) total and (ii) average amounts of the annual rates payable, and (iii) the mean of such rates in each decile group;

(2) of the respective numbers of agricultural lots, in each of the past 5 years, which were (i) no longer exempted from assessment to rates because their uses had been changed to those not connected to agricultural operations, and (ii) granted exemption again from assessment to rates because their uses had been reverted to those connected to agricultural operations;

(3) of the number of Requisition for Particulars of Tenements (requisition forms) issued by RVD for properties on agricultural lots, and the number and percentage of such requisition forms returned by the owners/occupants, in each of the past 5 years; the details of the follow-up actions taken by RVD in respect of the cases in which the requisition forms were not completed correctly and returned on time, and the number of such cases;

(4) of the following information regarding the three development plans, namely the public housing development at Wang Chau, Yuen Long, Yuen Long South Development and Hung Shui Kiu New Development Area, respectively: (i) the number of agricultural lots involved, (ii) the number of lots the uses of which have been changed to those not connected to agricultural operations but for which the assessments to rates have not yet completed, (iii) the number of properties on the agricultural lots which have been assessed to rates and, in respect of such properties, the (a) total and (b) average amounts of the rates payable by the owners last year and (c) the mean of such rates in each

decile group;

(5) given that as at the end of March this year since the establishment of the notification mechanism, RVD has received copies of warning letters involving about 2 600 agricultural lots, of the number of the properties on such lots assessed to rates or for which Demands for Rates were issued by RVD; the average number of working days taken from the issuance of warning letters by DLOs to the issuance of Demands for Rates by RVD;

(6) whether LandsD has set a target for its inspection work to ensure that the Government will not forgo any rates due to LandsD's failure to take timely law enforcement actions;

(7) apart from establishing the notification mechanism, of the measures taken by RVD in response to the aforesaid recommendation in the Audit Report; the changes in RVD's manpower and resources in the past 3 years for making assessments to rates in respect of properties on agricultural land?

Reply:

President,

Section 36(1) of the Rating Ordinance specifies the types and circumstances of lands and properties that are exempt from assessment to rates. Agricultural land and the structures thereon used in connection with such land are among those exempt from assessment to rates. Properties exempt from assessment to rates are not included on the Valuation List. When agricultural land or the structures thereon have been changed to uses not connected to agricultural operations, irrespective of whether the change is in breach of other permitted uses or has been authorised, such land or structures are no longer exempt from assessment to rates, and the relevant information will therefore be included on the Valuation List.

My reply to the various parts of the question raised by the Hon Wu Chi-wai is as follows:

(1) The numbers of assessments on agricultural lots in the New Territories, the total rates payable before the deduction of rates concession and the average rates payable in the past 5 years are tabulated in Table 1 of the Annex.

The average rates payable before the deduction of rates concession for properties on agricultural lots in the New Territories in the past 5 years, sorted by rateable value, are tabulated in Table 2 of the Annex.

(2) The numbers of properties on agricultural lots in the New Territories that were no longer exempt from assessment to rates because of changes to non-agricultural operations and those that were exempt from assessment to rates again because of their reversion to agricultural operations in the past 5 financial years are tabulated in Table 3 of the Annex.

(3) Before conducting the annual general revaluation, the Rating and Valuation Department (RVD) will issue the Requisition for Particulars of

Tenements (Form R1A) to ratepayers of properties but such forms will not normally be issued for agricultural lots not included on the Valuation List. Nevertheless, RVD will check the planning approvals granted by the Town Planning Board monthly and follow up cases involving change of use of agricultural land. The District Lands Offices (DLOs) in the New Territories under the Lands Department (LandsD) will also provide RVD with monthly lists on lease modifications and short term waivers in connection with private lots to facilitate timely assessment work by RVD.

(4) Since properties that are exempt from assessment to rates are not on the Valuation List, RVD does not possess the statistics on agricultural lots that are exempt from assessment to rates in Wang Chau, Yuen Long, Yuen Long South Development and Hung Shui Kiu New Development Area. Information relating to assessments on agricultural lots in the above three areas is tabulated in Table 4 of the Annex.

As at April 1, 2018, the average rates payable before the deduction of rates concession for properties on agricultural lots in Wang Chau, Yuen Long, Yuen Long South Development and Hung Shui Kiu New Development Area, sorted by rateable value, are tabulated in Table 5 of the Annex.

Based on the warning letters received from DLOs in the New Territories, there are about 150 agricultural lots in the above three areas that have been changed to non-agricultural operations and have yet to be assessed to rates as at the end of March 2018.

(5) to (7) Erection of unauthorised structures on old scheduled agricultural lots is prohibited under the Block Government Lease (formerly known as Block Crown Lease). According to established procedures, LandsD will inspect black spots of frequent breaches and act on complaints or referrals to follow up cases of unauthorised structures. When unauthorised structure is found on private agricultural land, LandsD will issue warning letters to the landowner concerned requesting rectification of breach.

The Director of Audit published the Report No. 66 in April 2016 and recommended that RVD should seek the assistance of LandsD in providing information on unauthorised change of use of agricultural land and buildings identified in the course of LandsD's enforcement work, so that RVD could take timely actions on cases ineligible for rates exemption.

RVD has implemented the recommendation of the Audit Commission and put in place a notification mechanism with LandsD. Since May 2016, if DLOs in the New Territories identify unauthorised structures on agricultural land during their enforcement actions, they will provide RVD with copies of the warning letters issued. To handle such cases more effectively, RVD set up a special team in April 2017 to follow up the assessment work, with priority given to land and properties of higher rateable values. Since the establishment of the notification mechanism, RVD has received copies of warning letters involving around 2 600 agricultural lots and has handled about 560 lots as at the end of March 2018. For the cases completed, it took on average about 45 working days for RVD to complete an assessment, counting from the date of site inspection.

Transcript of remarks by STH

Following is the transcript of remarks at a media session by the Secretary for Transport and Housing, Mr Frank Chan Fan, after attending the Legislative Council meeting today (May 23):

Reporter: Should we have to worry about the construction quality of the rail, because there are two incidents in such a short period of time? And also shouldn't the MTR disclose to the public with regard to the incidents because one incident happened last month? Why is there such a long period of time before we know about this?

Secretary for Transport and Housing: First and foremost, I would expect the MTR to come up and inform the public and the media if there's anything of concern. Basically Hong Kong is a very open and transparent society, and expectations of the community and the media as well as other stakeholders are basically the same. I would relay the message to the MTR Corporation and encourage them to let the media and the public know, should there be any issues of concern.

(Please also refer to the Chinese portion of the transcript.)

CSSA caseload for April 2018

The overall Comprehensive Social Security Assistance (CSSA) caseload in April rose by 75 cases, remaining more or less the same as that of March, according to the latest CSSA caseload statistics released by the Social Welfare Department today (May 23).

The total CSSA caseload at the end of April stood at 231 543 (see attached table), with a total of 332 875 recipients.

Analysed by case nature, low-earnings cases and permanent disability cases registered month-to-month decreases of 1.4 per cent and 0.2 per cent to 4 125 cases and 17 006 cases respectively.

Old age cases increased slightly by 0.1 per cent to 144 244 cases. Unemployment cases, single parent cases and ill health cases remained steady at 12 619 cases, 25 673 cases and 23 576 cases respectively.

SEN concludes visit to Tokyo (with photos)

The Secretary for the Environment, Mr Wong Kam-sing, attended the C40 Regional Meeting for East, Southeast Asia and Oceania of the C40 Cities Climate Leadership Group this morning (May 23) to exchange views with participants on various regional environmental issues. He then continued his participation in the Tokyo Forum for Clean City and Clear Sky on its second-day session. After that, he visited two plastic bottle recycling companies and their plants before concluding his itinerary in Japan.

At the second-day forum, Mr Wong spoke about air quality improvement measures in Hong Kong. He stated that the Environment Bureau released "A Clean Air Plan for Hong Kong" in 2013 and issued a progress report in June 2017, which gave a comprehensive account of the results achieved by Hong Kong in improving air quality.

After attending a press conference held by the Tokyo Metropolitan Government in the morning, Mr Wong visited two plastic bottle recycling plants to observe their recycling processes and learn more about the latest plastic bottle recycling technology. He also exchanged views with local recyclers to understand the latest developments in Japan's recycling industry.

Mr Wong will depart for Hong Kong and arrive tonight.





Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, May 23, 2018 is 99.5 (down 0.2 against Monday's index).