

Government statement on Rating (Amendment) Bill 2019

In response to the decision of the Bills Committee on Rating (Amendment) Bill 2019 (the Bill) today (June 23) to discontinue its scrutiny work on the Bill, a spokesman for the Transport and Housing Bureau made the following statement:

"In view of the continuous increase in the number of unsold first-hand private residential units in completed projects in recent years, the Government announced on June 29, 2018 the proposed amendment to the Rating Ordinance for the introduction of Special Rates on vacant first-hand private residential units to encourage more timely supply of completed first-hand private residential units to the market.

The Government introduced the Bill into the Legislative Council (LegCo) for scrutiny in October 2019. The Bill proposes that developers of first-hand private residential units with occupation permits issued for 12 months or more should furnish annual returns to the Rating and Valuation Department on the status of the units. If the units are unsold and have not been rented out 183 days or more in aggregate during the past 12 months, the developers will need to pay Special Rates in respect of the units. The proposed Special Rates are chargeable at a flat rate of 200 per cent of the rateable value of the relevant unit.

Since the House Committee's decision to set up Bills Committee for the Bill in May this year, the Government has spared no effort in facilitating the scrutiny of the Bill by the Bills Committee, explaining the policy objectives in relation to Special Rates and the content of the Bill as well as listening to the views of Members.

The Government is disappointed that the Bill could not be passed in the current term of LegCo following the Bill Committee's decision to discontinue its scrutiny work due to time constraint. The Government, nonetheless, expressed gratitude to the scrutiny work and efforts made by the Bills Committee.

The Government will, as always, closely monitor the situation in the residential property market, and implement measures as and when necessary with a view to ensuring the healthy development of the property market. The Government will take into account the market circumstances when considering whether to re-introduce the Bill into LegCo for scrutiny in the next LegCo term."