

For Information

**LEGISLATIVE COUNCIL PANEL  
ON PLANNING, LANDS AND WORKS**

**Revision of Fee for Cancellation of Re-entry  
Charged by Lands Department**

**Purpose**

This paper informs Members of a proposed change to the method of assessing the administrative fee for cancellation of re-entry of immovable property by Lands Department.

**Background**

2. In line with the ‘user pays’ principle, Government has reviewed the fees charged by Lands Department and submitted the paper CB(1)1297/05-06(01) to the Panel on 25 April 2006 on the proposed revisions. These fees and charges have no direct impact on people’s livelihood or general business activities. Members raised no objection to the new fee scale.

3. One of the fee items in the said paper, Item 45, relates to the administrative fee for cancellation of re-entry for those properties re-entered by Government for breach of lease conditions other than payment of Government rent. The existing method of calculation is:-

“Fixed administrative fee of \$27,600 for cancellation of re-entry plus fee of \$10,100 per \$1M (or part) of the land value or property (subject to an upper limit of \$168,000)”

## **The Proposal**

4. Lands Department proposes to change the administrative fee to:-

“Fixed administrative fee for cancellation of re-entry of \$37,700 per lot or per property”

## **Reasons for change**

5. Lands Department has recently received applications for cancellation of re-entry for a number of New Territories Exempted Houses which were re-entered for having illegal structures erected in breach of the lease conditions. When calculating the administrative fee in accordance with the existing formula, it gives rise to the situation where those who own a house will have to pay a higher administrative fee than those who own a flat even when the breaches are similar.

6. Lands Department has reviewed the situation and considers that the staff resources for processing applications for cancellation should be similar in each case and hence the cost should be similar. It will be reasonable if all the owners are required to pay the same administrative fee of \$37,700.

## **Financial Implication**

7. The new method of calculation will slightly reduce the amount of fees receivable under this item. As re-entry action is taken infrequently and cannot be predicted, it is not possible to provide an accurate figure of reduction of revenue but it is expected that the amount involved should be minimal.

## **Way Forward**

8. Members are invited to note the proposal in paragraph 4 above. The fee of \$37,700 will be applicable to applications for cancellation of re-entry under processing and to be received in future.

**Housing, Planning and Lands Bureau**  
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