

HOUSING (AMENDMENT) BILL 2007

COMMITTEE STAGE

Amendments to be moved by the Secretary for
Housing, Planning and Lands

<u>Clause</u>	<u>Amendment Proposed</u>
2	By deleting everything after "on" and substituting "1 January 2008."
4	(a) By deleting the proposed section 16A(1) and substituting - "(1) The Authority shall review the relevant rent - (a) as soon as practicable after 1 January 2010; and (b) as soon as practicable after the second anniversary of the expiry date of the second period for the last review under this subsection." (b) In the proposed section 16A(3)(a)(i) and (ii) and (b)(i) and (ii), by adding "or a combination of that income and that value," after "assets,".

- (c) In the proposed section 16A(4), by deleting "subsections (5) and (6)" and substituting "subsection (5)".
- (d) In the proposed section 16A(4)(a), by adding "by more than 0.1%" after "first period".
- (e) In the proposed section 16A(4)(a), by adding "or 10%, whichever is less" after "of the income index".
- (f) In the proposed section 16A(4)(b), by adding "by more than 0.1%" after "first period".
- (g) By deleting the proposed section 16A(5) and substituting -
 - "(5) The Authority shall not vary the relevant rent -
 - (a) on or before 1 January 2010;
or
 - (b) where the relevant rent is varied under subsection (4), before the second anniversary of the date of the last variation."
- (h) By deleting the proposed section 16A(6).
- (i) In the proposed section 16A(8), by deleting ", the Authority".

- (j) In the proposed section 16A(8)(a), by deleting "may determine that" and substituting "the Authority may compile".
- (k) In the proposed section 16A(8)(a)(i) and (ii), by deleting "is to be compiled to reflect" and substituting "that reflects".
- (l) In the proposed section 16A(8)(a)(ii), by adding "and" after the semicolon.
- (m) By deleting the proposed section 16A(8)(b) and substituting -
 - "(b) the Commissioner for Census and Statistics shall, in relation to the compilation of such an index, compute the index."
- (n) By deleting the proposed section 16A(8)(c).
- (o) In the proposed section 16A(9), by deleting the definition of "commencement date".
- (p) In the proposed section 16A(9), in the definition of "first period", by deleting paragraph (a) and substituting -
 - "(a) in relation to the first review of the relevant rent after 1 January 2010, means a period of 12 months expiring on 31 December 2007;"
- (q) In the proposed section 16A(9), in the definition of "first period", in paragraph

(b)(ii), by deleting "the first period for the first review of the relevant rent after the commencement date" and substituting "a period of 12 months expiring on 31 December 2007".

(r) In the proposed section 16A(9), by deleting the definition of "income index" and substituting -

"income index" (收入指數) means an index
computed under subsection (8)(b);".

(s) In the proposed section 16A(9), in the definition of "second period", by deleting paragraph (a) and substituting -

"(a) in relation to the first review of the relevant rent after 1 January 2010, means a period of 12 months expiring on 31 December 2009;".

A BILL

To

Amend the Housing Ordinance to replace section 16(1A), (1B), (1C), (1D) and (1E) of the Ordinance with –

- (a) provisions relating to review of the rent of certain residential units;
- (b) provisions requiring the Housing Authority to vary the rent of those units with reference to the change in an index reflecting the level of household income of certain tenants of residential units;
- (c) provisions specifying when the Housing Authority shall not, or is not required to, make such a variation; and
- (d) provisions empowering the Housing Authority to round down the amount of the rent in such a variation and to make determinations in relation to the compilation of such an index.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Housing (Amendment) Ordinance 2007.

2. Commencement

This Ordinance shall come into operation on 1 January 2008. ~~a day to be appointed by the Secretary for Housing, Planning and Lands by notice published in the Gazette.~~

3. Leases of land in estates

Section 16(1A), (1B), (1C), (1D) and (1E) of the Housing Ordinance (Cap. 283) is repealed.

4. Section added

The following is added –

“16A. Variation of rent for residential estates

~~(1) The Authority shall review the relevant rent as soon as practicable after the second anniversary of the commencement date, and as soon as practicable after the second anniversary of the date of the last review under this subsection, but not otherwise.~~

(1) The Authority shall review the relevant rent –

(a) as soon as practicable after 1 January 2010; and

(b) as soon as practicable after the second anniversary of the expiry date of the second period for the last review under this subsection.

(2) Despite section 16, the Authority shall not vary the relevant rent unless the variation is carried out under subsection (4).

(3) This section –

(a) does not apply to –

- (i) an adjustment in the rent of a residential tenant where the total household income or total value of the household assets, or a combination of that income and that value, as determined by the Authority, is greater than a threshold established by the Authority for the purposes of an increase in the rent; and
 - (ii) a re-adjustment in the rent of that tenant where the total household income or total value of the household assets, or a combination of that income and that value, as determined by the Authority, is less than that threshold; and
- (b) does not apply to –
 - (i) an adjustment in the rent of a residential tenant where the total household income or total value of the household assets, or a combination of that income and that value, as determined by the Authority, is less than a threshold established by the Authority for the purposes of a reduction in the rent; and
 - (ii) a re-adjustment in the rent of that tenant where the total household income or total

value of the household assets, or a combination of that income and that value, as determined by the Authority, is greater than that threshold.

(4) Subject to ~~subsections (5) and (6)~~subsection (5), the Authority –

- (a) if satisfied on a review of the relevant rent that the income index for the second period is higher than the income index for the first period by more than 0.1%, shall as soon as practicable after the review increase the relevant rent by the rate of the increase of the income index or 10%, whichever is less; and
- (b) if satisfied on a review of the relevant rent that the income index for the second period is lower than the income index for the first period by more than 0.1%, shall as soon as practicable after the review reduce the relevant rent by the rate of the reduction of the income index.

~~(5) The Authority shall not vary the relevant rent –~~

~~(a) within 2 years after the commencement date; or~~

~~(b) where the relevant rent is varied under subsection (4), within 2 years after the date of the last variation.~~

(5) The Authority shall not vary the relevant rent -

- (a) on or before 1 January 2010; or
- (b) where the relevant rent is varied under subsection (4), before the second anniversary of the date of the last variation.

~~(6) The Authority is not required to vary the relevant rent if, in the Authority's opinion, the amount of the variation required under subsection (4) is insignificant.~~

(7) In varying the relevant rent, the Authority may round down the amount of the relevant rent to the nearest dollar.

(8) For the purpose of a review of the relevant rent, ~~the Authority~~ –

- (a) may determine that the Authority may compile –
 - (i) an index ~~is to be compiled to reflect that~~ reflects the level of the mean monthly household income of any class of residential tenant over the first period; and
 - (ii) an index ~~is to be compiled to reflect that~~ reflects the level of the adjusted mean monthly household income of that class of residential tenant over the second period; and
- ~~(b) may determine whether such an index is to be compiled by the Authority itself or by a tertiary~~

~~institution in Hong Kong, or public body,
appointed by the Authority for the purpose; and~~

(b) the Commissioner for Census and Statistics shall,
in relation to the compilation of such an index,
compute the index.

~~(c) may determine how such an index is to be
compiled by the Authority or the appointed
institution or body.~~

(9) In this section –

“adjusted mean monthly household income” (經調整後的家庭每月平均

收入), in relation to any class of residential tenant identified for
the purpose of a review of the relevant rent, means the mean
monthly household income of that class of residential tenant
assessed on the basis of the distribution of the household size of
that class of residential tenant over the first period for that review;

~~“commencement date” (生效日期) means the date on which the Housing
(Amendment) Ordinance 2007 (— of 2007) comes into operation;~~

“first period” (第一期間) –

~~(a) in relation to the first review of the relevant rent
after the commencement date, means a period of
12 months expiring on the day immediately before
the commencement date;~~

(a) in relation to the first review of the relevant rent after 1 January 2010, means a period of 12 months expiring on 31 December 2007;

(b) in relation to a subsequent review of the relevant rent, means –

(i) the second period for the last review of the relevant rent in consequence of which the relevant rent was varied; or

(ii) in the absence of a review in consequence of which the relevant rent was varied, ~~the first period for the first review of the relevant rent after the commencement date~~ a period of 12 months expiring on 31 December 2007;

~~“income index” (收入指數) means the index referred to in subsection (8)(a) and compiled in the manner determined under subsection (8)(e);~~

“income index” (收入指數) means an index computed under subsection (8)(b);

“land” (土地) does not include land in respect of which the Authority has granted to a person a licence, or a permit, to occupy;

“relevant rent” (有關租金) means the rent subject to the payment of which any land in an estate is let for residential purposes under section 16(1) but does not include the rent of a residential tenant who is required to pay a higher rent after an adjustment under subsection (3)(a)(i) or is permitted to pay a lower rent after an adjustment under subsection (3)(b)(i);

“residential tenant” (住宅租戶) means a tenant of the land in an estate let for residential purposes under section 16(1);

“second period” (第二期間) –

~~(a) in relation to the first review of the relevant rent after the commencement date, means a period of 12 months expiring on the second anniversary of the expiry date of the first period for the review;~~
or

(a) in relation to the first review of the relevant rent after 1 January 2010, means a period of 12 months expiring on 31 December 2009;

(b) in relation to a subsequent review of the relevant rent, means a period of 12 months expiring on the second anniversary of the expiry date of the second period for the last review.”.

Explanatory Memorandum

The object of this Bill is to amend the Housing Ordinance (Cap. 283) (“the principal Ordinance”). The main purpose is to replace section 16(1A), (1B), (1C), (1D) and (1E) of the principal Ordinance with provisions requiring the Housing Authority (“the Authority”) to vary the rent of certain residential units with reference to the change in an index reflecting the level of household income of certain tenants of residential units.

2. Clause 3 repeals section 16(1A), (1B), (1C), (1D) and (1E) of the principal Ordinance.

3. Clause 4 adds a new section 16A to the principal Ordinance. The new section 16A –

- (a) relates to review of the rent of certain residential units;
- (b) requires the Authority to vary the rent of those units with reference to the change in an index reflecting the level of household income of certain tenants of residential units;
- (c) specifies when the Authority shall not, or is not required to, make such a variation; and
- (d) empowers the Authority to round down the amount of the rent in such a variation and to make determinations in relation to the compilation of such an index.