

For information

Legislative Council Panel on Home Affairs

**Revision of Fees and Charges for items under the
(A) Building Management Ordinance (Cap.344), and
(B) Hotel and Guesthouse Accommodation Ordinance (Cap.349)**

PURPOSE

This paper briefs Members on proposals relating to the revision of fees payable (a) to the Land Registry under the Building Management Ordinance (BMO) (Cap.344) and (b) for the issue and renewal of licences under the Hotel and Guesthouse Accommodation Ordinance (HAGAO) (Cap.349).

BACKGROUND

2. The Government has frozen most fees and charges since 1998 as an exceptional measure to alleviate the financial burden on the public in times of economic difficulty. In 2005, with the economy gradually picking up, and the intended adherence to the “user pays” principle, the Government has started to revise the fees and charges for services not directly affecting people’s livelihood.

3. In March 2005, the Home Affairs Bureau (HAB) consulted the Legislative Council Panel on Home Affairs (the Panel) on proposals to revise the fees and charges for services under the purview of HAB that have relatively little impact on the daily life of the general public or the running costs of business operators. Fee items under the Building Management (Fees) Regulations (Cap.344A) (BM Regulations) and the Hotel and Guesthouse Accommodation (Fees) Regulations (Cap.349) (HAGA Regulations) were included in the paper. The fees under the two Regulations were subsequently revised on 1 January 2006.

4. Under the “user pays” principle, it is important for users of Government services to pay the costs incurred in the provision of services.

As explained to the Panel in March 2005, the level of fee increase should be determined generally in accordance with the following guidelines –

- (a) achieve full-cost recovery within seven years for those fees with existing cost recovery rate of less than 40% below target, through a 20% increase;
- (b) achieve full-cost recovery within three to seven years for those fees with existing cost recovery rate of between 40% to 70% of target, through a 15% increase; and
- (c) achieve full-cost recovery within one to three years for those fees with existing cost recovery rate of over 70% of target, through a 10% or lower increase.

PROPOSALS

5. The fee revision in respect of the BM and HAGA Regulations is intended to be an annual exercise to gradually achieve full-cost recovery. Following the last revision in 2006, a fresh costing exercise was carried out to review the costs under the two Regulations. Details of the proposals are at the **Annex**.

6. The cost recovery rates for most of the fee items under the BM Regulations are 35% or below. In accordance with the guidelines in paragraph 4 above, we propose a 20% increase¹ in 2007 for all of the fee items under the BM Regulations.

7. The current fee levels under the HAGA Regulations cover 38% to 117% of the full cost of issue of new licences, and 90% to 104% of that of renewal of licences for hotels and guesthouses. In accordance with the guidelines in paragraph 4 above, we propose the following adjustments in 2007 –

¹ Two of the fee items have an existing cost recovery rate of 53% and 78% respectively. According to the guidelines set out in paragraph 4, a 15% and 10% increase should be proposed for these items respectively. However, since the nominal values of the fee items are minimal, it would not make much of a difference to have either a 10%/15% or 20% increase. Therefore, a 20% increase across the board is proposed.

- (a) To revise the fees for issue of new licences by 10% to 20% for hotels and guesthouses with one to five rooms;
- (b) To revise the fees for the issue of new licences by 10% to 15% for hotels and guesthouses with six to 100 rooms;
- (c) To revise the fees for the issue of new licences by -2% to -14% for hotels and guesthouses with over 100 rooms;
- (d) To revise the fees for the renewal of licences by 2% to 4% for hotels and guesthouses with one to five rooms;
- (e) To revise the fees for the renewal of licences by -4% to 10% for hotels and guesthouses with six to 100 rooms; and
- (f) To revise the fees for the renewal of licences by 0.1% to 4% for hotels and guesthouses with over 100 rooms.

EFFICIENCY INITIATIVES

8. We have been taking measures to reduce or contain costs through implementing efficiency measures and exploring various initiatives such as computerization and streamlining of procedures. Such efficiency savings and improvement measures have been factored into the calculation of costs for individual fee items.

FINANCIAL IMPLICATIONS

9. It is estimated that the proposed fee revisions will bring about a net increase of about \$242,000 in revenue per annum.

IMPLEMENTATION PLAN

10. We plan to proceed with the necessary amendment of the BM and HAGA Regulations as appropriate and table the Amendment Regulations at Legislative Council for negative vetting on 13 June 2007. We propose that the new fees under the BM and HAGA Regulations shall take effect on 1 November 2007.

Home Affairs Bureau
April 2007

**Fee items under
the Building Management (Fees) Regulations (Cap. 344A)**

Fee Item	Existing Fee	Proposed Fee
1. For the issue of a certificate of registration of a corporation	\$1,080	\$1,300
2. For the issue of a duplicate certificate of registration of a corporation	\$66	\$79
3. For the issue of an amended certificate of registration on change of name of a corporation	\$155	\$185
4. For the issue of a duplicate amended certificate of registration on change of name of a corporation	\$66	\$79
5. For the registration or filing of any document required to be submitted to the Land Registrar (LR) under the Building Management Ordinance (BMO)	\$48	\$58
6. For inspecting the register of corporations maintained by LR and any document relating to a corporation required to be submitted to the LR under the BMO	\$12	\$14
7. For supplying a copy or extract of any register or document referred to in item 6, per folio or part thereof	\$12	\$14
8. For the certificate of LR in relation to any copy or extract referred to in item 7	\$36	\$43

TABLE 1
FEE PAYABLE UPON ISSUE OF LICENCE UNDER
SECTION 8 OF THE HOTEL AND GUESTHOUSE ACCOMMODATION ORDINANCE

Number of rooms in which accommodation is available	Fee for 12 months \$		Fee for 24 months \$		Fee for 36 months \$		Fee for 48 months \$		Fee for 60 months \$		Fee for 72 months \$		Fee for 84 months \$	
	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee
1- 3	3,970	4,570	4,970	5,720	5,720	6,580	9,650	11,100	11,600	13,350	13,550	14,900	15,500	17,050
4- 5	3,970	4,760	5,190	5,970	6,410	7,370	10,250	11,800	12,400	14,250	14,600	16,800	16,750	18,450
6- 9	6,000	6,900	7,690	8,840	9,370	10,800	14,150	16,250	16,900	19,450	18,750	21,550	21,350	23,500
10- 20	10,950	12,600	12,700	14,600	14,450	16,600	19,350	22,250	22,150	25,450	24,950	27,450	27,750	30,550
21- 30	17,100	19,650	19,000	21,850	20,900	24,050	25,900	29,800	28,850	33,200	31,800	35,000	34,750	38,250
31- 40	22,650	26,050	24,700	28,400	26,750	30,750	31,850	36,650	34,900	40,150	38,000	41,800	41,050	45,150
41- 50	29,450	33,850	31,550	36,300	33,650	38,700	38,900	42,800	42,050	46,250	45,150	49,650	48,300	53,150
51- 100	35,000	40,250	37,250	41,000	39,450	43,400	44,800	49,300	48,050	52,850	51,300	56,450	54,550	60,000
101- 200	59,600	56,350	61,700	58,650	63,750	61,000	68,650	66,200	71,650	69,500	74,700	72,800	77,700	76,100
201- 300	67,100	61,750	69,350	64,300	71,600	66,800	76,750	72,250	79,950	75,750	83,200	79,250	86,400	82,750
301- 400	74,550	67,050	77,100	69,800	79,600	72,600	85,000	78,250	88,500	82,000	91,950	85,750	95,450	89,500
401- 500	82,000	72,850	84,800	75,850	87,600	78,900	93,200	84,850	96,950	88,850	100,700	92,850	104,400	96,850
over 500	94,050	80,450	97,200	83,900	100,400	87,400	106,400	93,750	110,500	98,200	114,700	102,700	118,800	107,100

TABLE 2
 FEE PAYABLE UPON RENEWAL OF LICENCE UNDER
 SECTION 9 OF THE HOTEL AND GUESTHOUSE ACCOMMODATION ORDINANCE

Number of rooms in which accommodation is available	Fee for 12 months \$		Fee for 24 months \$		Fee for 36 months \$		Fee for 48 months \$		Fee for 60 months \$		Fee for 72 months \$		Fee for 84 months \$	
	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee	Existing Fee	Proposed Fee
1- 3	2,590	2,650	3,450	3,560	4,310	4,470	8,010	8,300	9,820	10,200	11,600	12,050	13,450	13,950
4- 5	3,230	3,310	4,280	4,400	5,330	5,500	9,220	9,520	11,200	11,600	13,200	13,650	15,200	15,700
6- 9	5,500	6,050	7,120	7,600	8,730	9,100	13,250	13,500	15,650	16,000	18,050	18,450	20,500	20,950
10- 20	9,580	9,200	11,100	10,750	12,650	12,350	17,000	16,850	19,450	19,400	21,950	21,950	24,400	24,450
21- 30	14,900	15,100	16,550	16,800	18,200	18,500	22,700	23,150	25,300	25,800	27,950	28,500	30,550	31,150
31- 40	18,300	18,450	20,050	20,300	21,800	22,100	26,400	26,850	29,100	29,650	31,800	32,450	34,500	35,250
41- 50	20,050	20,150	21,900	22,050	23,700	23,950	28,400	28,750	31,200	31,600	33,950	34,500	36,750	37,350
51- 100	22,300	22,400	24,250	24,400	26,150	26,400	30,900	31,300	33,800	34,250	36,650	37,200	39,550	40,150
101- 200	25,050	25,100	27,150	27,450	29,200	29,750	34,100	35,000	37,100	38,300	40,150	41,550	43,150	44,850
201- 300	27,300	27,350	29,550	29,850	31,800	32,400	36,950	37,850	40,150	41,300	43,400	44,800	46,600	48,300
301- 400	29,450	29,500	32,000	32,300	34,500	35,050	39,900	40,750	43,400	44,500	46,850	48,250	50,350	52,000
401- 500	31,800	31,900	34,600	34,900	37,400	37,950	43,000	43,850	46,750	47,850	50,500	51,850	54,250	55,850
over 500	36,450	36,500	39,650	39,950	42,800	43,450	48,850	49,850	52,950	54,250	57,100	58,700	61,250	63,150