

**A Comparison of the Main Provisions of the  
Land Development Corporation Ordinance (LDCO),  
the Urban Renewal Authority Bill published on 22 October 1999 (the White Bill) and  
the Urban Renewal Authority Bill published on 3 February 2000 (the URA Bill)**

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>1. Establishment</b>	<p>The Land Development Corporation (LDC) Managing Board comprises—</p> <ul style="list-style-type: none"> <li>(a) a non-executive Chairman;</li> <li>(b) the Chief Executive of the LDC (<i>ex officio member</i>)</li> <li>(c) not less than 5 other members not being public officers; and</li> <li>(d) not more than 3 other members being public officers.</li> </ul> <p style="text-align: center;"><i>(ref: section 3)</i></p>	<p>The Board of the Urban Renewal Authority (URA) comprises —</p> <ul style="list-style-type: none"> <li>(a) an executive Chairman;</li> <li>(b) 2 other executive directors (one of whom may be appointed as Deputy Chairman)</li> <li>(c) 7 non-executive directors not being public officers; and</li> <li>(d) 4 non-executive directors being public officers.</li> </ul> <p style="text-align: center;"><i>(ref: clause 4)</i></p>	<p>Same as the White Bill.</p> <p style="text-align: center;"><i>(ref: clause 4)</i></p>	<p>A board of the URA comprising an executive Chairman and two executive directors is considered more appropriate for the URA, as the URA will be responsible for the implementation of a large number of redevelopment, rehabilitation and preservation projects. The Chairman and the two executive directors will play a pivotal role in the operation and management of the URA and will be directly accountable for the performance of the URA.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>2. Purposes</b>	<p>The principal purpose of the LDC is to improve the standard of housing and the environment in Hong Kong by undertaking, encouraging, promoting and facilitating urban renewal.</p> <p><i>(ref: section 4)</i></p>	<p>The main purposes of the URA are to —</p> <p>(a) improve the standard of housing, the built environment and the layout of built-up areas by replacing old and run-down areas with new development;</p> <p>(b) achieve better utilisation of land in dilapidated areas; and</p> <p>(c) prevent urban decay by promoting the rehabilitation and proper maintenance of buildings.</p> <p><i>(ref: clause 5)</i></p>	<p>In addition to the purposes set out in the White Bill, the following purpose has been incorporated —</p> <p>"preserve buildings, sites and structures of historical, cultural or architectural interest".</p> <p><i>(ref: clause 5(e))</i></p>	<p>Compared with those for the LDC, the purposes for the URA as set out in the URA Bill is more comprehensive and balanced, covering the redevelopment of dilapidated buildings, the rehabilitation of buildings not in good repair, and the preservation of buildings and sites of historical, cultural or architectural value to the community.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>3. Public accountability</b>  <b>(a) Members to declare interests</b>	<p>A Member of the LDC is required to declare interest when the Managing Board considers a contract in which he/she has a direct or indirect interest.</p> <p><i>(ref: Schedule 1 paragraph 6)</i></p>	<p>Members of the URA are required to declare interests as soon as practicable after appointment and a register of such disclosures will be made available for public inspection.</p> <p>A Member of the URA Board is also required to declare interest when the Board considers a contract in which he/she has a direct or indirect interest.</p> <p><i>(ref: clause 7)</i></p>	<p>Same as the White Bill.</p> <p><i>(ref: clause 7)</i></p>	<p>Compared with the LDCO, the new provision in the URA Bill increases the transparency and accountability of the URA Board.</p>
<b>(b) Duty of public officers to state public interest</b>	<p>No such provision.</p>	<p>Public officers are duty-bound to state the public interest when the URA Board deliberates on matters which may affect the public interest.</p> <p><i>(ref: clause 8)</i></p>	<p>Same as the White Bill.</p> <p><i>(ref: clause 8)</i></p>	<p>This provision ensures that the public interest is taken into account in the deliberations of the URA Board.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>(c) Answer to Legislative Council</b>	No such provision.	The Chairman and the executive directors of the URA should attend meetings of the Legislative Council, its committees and sub-committees when required and should answer questions raised at such meetings.  <i>(ref: clause 9)</i>	The requirement for the Chairman and executive directors of the URA to attend meetings of the Legislative Council (i.e., the full Council) when requested has been deleted.  <i>(ref. clause 9)</i>	The provision provides for better monitoring of the performance of the URA. It also enhances the public accountability and transparency of the URA as a statutory public body.  The reason for deleting the requirement for the Chairman and executive directors of the URA to attend meetings of the full Council when requested is that they are not public officers. Only public officers designated by the Government may attend Legislative Council meetings and speak on behalf of the Government.

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>4. Financial provisions</b>				
<b>(a) Prudent commercial principles</b>	<p>The LDC is required to conduct its business according to prudent commercial principles, but with the approval of the Financial Secretary may engage in projects which are unlikely to be profitable.</p> <p><i>(ref: section 10(1))</i></p>	<p>The URA is required to exercise due care and diligence in handling its finances.</p> <p><i>(ref: clause 10(4))</i></p>	<p>Same as the White Bill.</p> <p><i>(ref: clause 10(4))</i></p>	<p>The original assumption that urban renewal could be wholly self-financing in the long run is no longer valid.</p>
<b>(b) Power to lend money</b>	<p>No such provision.</p>	<p>The URA may lend money to any person or party for the purposes of implementing an urban renewal project.</p> <p><i>(ref: clause 12)</i></p>	<p>Same as the White Bill.</p> <p><i>(ref: clause 12)</i></p>	<p>The provision gives greater flexibility to the URA in the use of its financial resources.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>(c) The Secretary for the Treasury may give directions</b>	No such provision.	The Secretary for the Treasury may give directions in relation to the amount of money that the URA may expend, borrow, and lend in any financial year.  <i>(ref: clauses 10(3), 11(3) and 12(2))</i>	Same as the White Bill.  <i>(ref: clauses 10(3), 11(3) and 12(2))</i>	The provisions enable the Secretary for the Treasury to more effectively monitor the financial matters of the URA.
<b>(d) Exemption from taxation</b>	No such provision.	The URA is exempt from taxation.  <i>(ref: clause 17)</i>	Same as the White Bill.  <i>(ref: clause 17)</i>	

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<p><b>5. Planning procedures</b></p> <p><b>(a) Corporate plan and business plan</b></p>	No such provision.	<p>The URA is required to prepare, on the basis of Government's urban renewal strategy, a corporate plan setting out its proposed programme of projects for the next 5 years and a business plan setting out the projects to be implemented in the next financial year for approval by the Financial Secretary each year.</p> <p>The URA may suggest project proposals not identified in the Government's urban renewal strategy in the corporate plan and the business plan for approval by the Financial Secretary. <i>(ref: clauses 18 and 19)</i></p>	<p>In addition to the provisions set out in the White Bill, the Financial Secretary is empowered to approve corporate plans and business plans submitted by the URA with or without amendments.</p> <p><i>(ref: clauses 18 and 19)</i></p>	<p>Compared with the LDCO, the new provisions in the URA Bill provide much greater flexibility to the URA in scheduling its programme of projects as long as the URA operates within the guidelines set out in the Government's urban renewal strategy. The planning procedures also ensure an appropriate level of Government supervision of the URA.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>(b) Publication of project</b>	No such provision.	<p>The URA is required to publish in the Government Gazette the commencement date of the project and to exhibit general information about the project for public inspection.</p> <p>The URA may make reference to the commencement date of the project for determining the eligibility of any person to receive compensation, payments or other benefits including rehousing. <i>(ref: clause 20)</i></p>	<p>Same as the White Bill.  <i>(ref: clause 20)</i></p>	<p>The purpose of publishing a project and announcing its commencement date is to provide a cut-off date for determining ex-gratia payments and eligibility for rehousing. Immediately after the announcement of the commencement date, the URA will conduct a freezing survey to determine eligibility for rehousing and ex-gratia payments.</p>
<b>(c) Objections to a development project</b>	No such provision.	<p>Any person affected by a development project to be implemented by the URA may raise objections to the project.</p>	<p>In addition to those set out in the White Bill, the following new provisions are incorporated in the URA Bill —</p>	<p>The provisions set out in the URA Bill are a major improvement to the LDCO as they provide an opportunity for persons affected a development project to raise objections and to be heard.</p>



	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
		<p>The URA shall consider the objections and submit its deliberations on the objections to the Secretary for Planning and Lands (SPL).</p> <p>SPL shall consider the development project and the objections and determine whether to authorise URA to proceed with the development with or without amendments.</p> <p><i>(ref: clause 21)</i></p>	<ul style="list-style-type: none"> <li>• SPL may authorise a project to proceed if no objections are lodged;</li> <li>• When SPL makes an amendment to meet an objection, notice shall be served on the owner of the affected land;</li> <li>• The owner of the affected land may raise objections to the amendment within 14 days;</li> <li>• SPL shall consider the objections to the amendment and determine whether to authorise the development project to proceed with or without the amendment;</li> </ul>	<p>In the URA Bill, the objection procedure is further improved by enabling owners whose properties would be affected by any amendment to a development project made by SPL to raise objections to such amendments and for the objections to be considered.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
			<ul style="list-style-type: none"> <li>the way to determine the commencement date of a project in cases where amendments are made to the plan after the first gazettal date is set out.</li> </ul> <p><i>(ref: clauses 21(5), (6), (7), (8) and (9))</i></p>	
<b>(d) Development schemes</b>	<p>The LDC may, with the approval of SPL, prepare a development scheme for an area.</p> <p>SPL may submit a development scheme prepared by the LDC to the Town Planning Board (TPB) for approval.</p> <p><i>(ref: section 13(1) and 14(1))</i></p>	<p>The URA may prepare a development scheme for a proposal provided that the proposal is incorporated in its approved corporate plan and business plan.</p> <p>The URA is empowered to submit the development scheme to the TPB direct.</p> <p><i>(ref: clauses 22(1) and (5))</i></p>	<p>In addition to the provisions set out in the White Bill, the URA Bill empowers the TPB to amend a development scheme submitted by the URA before publishing the development scheme as a plan deemed to be prepared by the TPB.</p> <p><i>(ref: clause 22(6))</i></p>	<p>The procedure streamlines the planning process for a development scheme.</p> <p>Compared with the White Bill, the URA Bill gives the TPB greater flexibility by allowing it to approve development schemes submitted by the URA with or without amendments.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>6. Resumption and disposal of land</b>				
<b>(a) Land resumption</b>	<p>The LDC may apply to SPL requesting him to recommend to the Chief Executive in Council (CE in C) the resumption of any land within a project area which the LDC has been unable to acquire.</p> <p>SPL shall not make a recommendation unless he is satisfied that the LDC has taken all reasonable steps to acquire the land including negotiating with the owner for the purchase of the land on terms that are fair and reasonable.</p> <p><i>(ref: section 15)</i></p>	<p>The URA is not required to first negotiate and acquire the land needed for an urban renewal project. Instead, it is empowered to request SPL to recommend to CE in C the resumption of any land within a development scheme or development project contained in the approved corporate plan and business plan.</p> <p><i>(ref: clause 24)</i></p>	<p>Same as the White Bill.</p> <p><i>(ref: clause 24)</i></p>	<p>The provision would enable the entire urban renewal process to be expedited as the URA would not be required by law to conduct difficult and protracted negotiations with land owners.</p>

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>(b) Disposal of land resumed under the Lands Resumption Ordinance</b>	No such provision.	The URA may not sell or dispose of land it has assembled for a project which includes land resumed under the Lands Resumption Ordinance unless prior approval has been granted by CE in C.  <i>(ref: clause 25)</i>	The URA shall not sell or dispose of land resumed under the Lands Resumption Ordinance unless prior approval for such sale or disposal has been granted by CE in C.  <i>(ref: clause 25)</i>	Compared with the LDCO, the URA Bill gives greater flexibility to the URA as it is given the additional option to dispose of the land if, after considering the public interest, there is justification for doing so.  The clause in the URA Bill is a minor technical amendment to the clause set out in the White Bill to make it clear that the URA may only dispose of <u>any resumed land</u> with the prior approval of CE in C.
<b>(c) Power to enter and inspect</b>	The power to enter and inspect rests with SPL and any person authorised by him. There is no provision for SPL to delegate the power.  <i>(ref: section 16)</i>	SPL may delegate to the URA the power to enter and inspect.  <i>(ref: clause 26(2))</i>	The URA Bill further specifies the kind of information that may be obtained by any person so authorised under the clause.  <i>(ref: clause 26(5))</i>	

	<b>LDCO</b>	<b>The White Bill</b>	<b>The URA Bill</b>	<b>Remarks</b>
<b>7. Transitional Provisions</b>	No such provision.	<p>The White Bill sets out the transitional arrangements, including the dissolution of the LDC and the transfer of properties, documents, accounts and contractual agreements from the LDC to the URA.</p> <p>To facilitate the implementation of the uncompleted projects of LDC, the URA may request resumption of properties not yet acquired by the LDC under the new provisions of the Bill, provided that there are proper justifications for doing so.</p> <p><i>(ref: clauses 30 and 31)</i></p>	<p>In addition to the provisions set out in the White Bill, a new sub-clause is added to the URA Bill to provide for the transition of the existing provident fund schemes and the Government loan.</p> <p><i>(ref: clauses 32(8) and(9))</i></p>	