

**A Comparison of
the Land Development Corporation Ordinance (Cap. 15)
and
the Urban Renewal Authority Bill (White Bill)**

Topic	Land Development Corporation Ordinance (LDCO)	Urban Renewal Authority Bill (URAB)	Remarks
(A) Establishment	<p>The Land Development Corporation (LDC) Managing Board comprises –</p> <p>(a) a non-executive Chairman; (b) the Chief Executive of the LDC; (c) not less than 5 other members not being public officers; and (d) not more than 3 other members being public officers.</p> <p><i>(ref: section 3 of LDCO)</i></p>	<p>The Board of the Urban Renewal Authority (URA) comprises –</p> <p>(a) an executive Chairman; (b) 2 other executive directors (one of whom may be appointed Deputy Chairman); (c) 7 non-executive directors not being public officers; and (d) 4 non-executive directors being public officers.</p> <p><i>(ref: clause 4 of URAB)</i></p>	<p>A managing board comprising an executive chairman and executive directors (similar to that of the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation) is suitable for an organisation like the URA, which will be responsible for the implementation of a large number of redevelopment projects and building repair works. The chairman and the executive directors will have first-hand experience of the operation and management of the organisation and will be directly accountable for the work of the URA.</p>

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(B) Purposes	<p>The main purposes of the LDC are mainly to conduct urban renewal.</p> <p><i>(ref: section 4 of LDCO)</i></p>	<p>The main purposes of the URA are to -</p> <ul style="list-style-type: none"> (a) conduct urban renewal; (b) rationalise the utilisation of land in dilapidated areas; and (c) promote and facilitate rehabilitation of buildings. <p><i>(ref: clause 5 of URAB)</i></p>	<p>The purposes of the URA reflect Government's overall objectives on urban renewal. Compared with those for the LDC, the purposes of the URA are more comprehensive and balanced, covering both redevelopment of dilapidated buildings and rehabilitation of buildings not in good repair.</p> <p>Under our urban renewal strategy, we will plan urban redevelopment and rehabilitation more rigorously and comprehensively for larger areas, with a view to restructuring and replanning more effectively the older built-up areas, redesigning more effective and environmentally-friendly transport and road networks, replacing incompatible land uses, providing more open space and community facilities, and designing buildings which meet the demands of modern living. We will also plan for the rehabilitation of buildings not in good repair and the preservation of buildings of historical, cultural or architectural interest in the project areas. Under-utilised industrial areas will also be included in our</p>

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(B) Purposes (continued)			urban renewal programme so that we can rationalise incompatible land uses and revitalise economic activities within these areas.
(C) Public Accountability			
(I) Members to declare interests	A register of declared interests of LDC members is not made available for public inspection. <i>(ref: paragraph 6, 1st Schedule of LDCO)</i>	URA members are required to declare interests and a register of such disclosures will be made available for public inspection. <i>(ref: clause 7 of URAB)</i>	The new provision in the URAB increases the transparency of the URA.
(II) Duty of public officers to state public interests	No provision to require public officers to state the public interest.	Public officers are duty-bound to state the public interest when the URA deliberates on matters which may affect the public interest. <i>(ref: clause 8 of URAB)</i>	The provision ensures that the public interest is taken into account when the URA deliberates on matters which may affect the public interest.

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(III) Answer to the Legislative Council	No provision to require LDC members to attend any meetings of the Legislative Council and to answer questions.	The Chairman and the executive directors of the URA should attend meetings of and be answerable to the Legislative Council, its committees and subcommittees. <i>(ref: clause 9 of URAB)</i>	The provision provides for better monitoring of the performance of the URA. It enhances the public accountability and transparency of the URA as a statutory public body.
(D) Financial Provisions			
(I) Power to lend money	No provision to enable the LDC to lend money.	The URA may lend money for the purposes of implementing an urban renewal project. <i>(ref: clause 12 of URAB)</i>	The provision increases the flexibility in the utilisation of the URA's financial resources.
(II) Exemption from taxation	The LDC is not exempted from taxation.	The URA is exempted from taxation. <i>(ref: clause 17 of URAB)</i>	

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(E) Planning Procedures			
(I) Corporate Plan and Business Plan	<p>The LDC has to seek approval from the Secretary for Planning, Environment and Lands (SPEL) for the implementation of projects on a project-by-project basis.</p> <p><i>(ref: sections 5(b), 15(2)(b) & 13 of LDCO)</i></p>	<p>Based on the Government's urban renewal strategy, the URA is required to submit a five-year corporate plan and an annual business plan, listing out the details of the proposals it plans to implement, for the approval of the Financial Secretary annually.</p> <p><i>(ref: clauses 18 & 19 of URAB)</i></p>	<p>In order to expedite the urban renewal programme, new planning procedures will be introduced for processing the projects of the URA. We will formulate an urban renewal strategy which identifies projects for priority implementation by the URA. The new procedure provides a high degree of flexibility to the URA in scheduling its programme of projects. It will no longer have to seek the Government's approval on a proposal-by-proposal basis as long as it operates within the parameters and guidelines set out in the Government's urban renewal strategy. The planning procedure also ensures an appropriate level of Government supervision of the URA.</p>
(II) Publication of a Project	<p>The LDC is not required by the LDCO to publish the details of a development proposal/ development scheme in the Gazette. (<u>Note</u> - For a development scheme, the</p>	<p>The URA is required to publish the details of a development project/a development scheme in the Gazette. A commencement date will also be announced in the Gazette.</p>	<p>The commencement date of a development project or a development scheme will be the same date on which the project or scheme is first published in the Gazette. The purpose of announcing a commencement date is to provide a cut-off date for determining</p>

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(II) Publication of a Project (continued)	related plan will be published in the Gazette under the Town Planning Ordinance.)	<i>(ref: clause 20 of URAB)</i>	ex-gratia payments to affected property owners and tenants and also for determining rehousing eligibility for affected tenants. Immediately after the announcement of the commencement date, the URA will conduct a freezing survey to determine rehousing eligibility and ex-gratia payments.
(III) Objections to development projects	For the implementation of a development proposal of the LDC, there are no statutory channels for the public to raise objections.	An objection procedure has been set out for the implementation of a development project of the URA (similar to the LDC's 'development proposal'). <i>(ref: clause 21 of URAB)</i>	The provision provides an opportunity for persons affected by a development project to raise objections. (<u>Note</u> - Objections to a development scheme will be dealt with under the Town Planning Ordinance)
(F) Resumption and Disposal of Land			
(I) Resumption	The LDC is required to negotiate with owners at length to acquire land, and to satisfy SPEL that it has taken all	The URA will be empowered to apply for 'direct' resumption of land.	The time-consuming land assembly process is the main reason why it takes the LDC such a long time to implement urban renewal projects. Under the existing

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(I) Resumption (continued)	<p>reasonable steps to otherwise acquire the land on terms that are fair and reasonable, before it can make an application for resumption of the land it cannot acquire.</p> <p><i>(ref: section 15 of LDCO)</i></p>	<i>(ref: clause 24 of URAB)</i>	<p>mechanism, the LDC is first required to take all reasonable steps to acquire affected properties within the project area. This usually involves protracted negotiations with the owners. If there are any properties which the LDC is unable to acquire even after taking all reasonable steps, the LDC may then request SPEL to recommend to the Chief Executive in Council the resumption of such outstanding properties.</p> <p>In order to expedite the process, instead of requiring the URA to first negotiate and acquire the land needed for an urban renewal project, the URA is empowered under the URAB to apply for resumption of the land required. The Chief Executive in Council is the authority to approve such resumption applications. Affected property owners will be compensated fairly under the Lands Resumption Ordinance.</p>

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(II) Disposal of land resumed under Lands Resumption Ordinance	No provision to enable the LDC to sell or dispose of land resumed under the Lands Resumption Ordinance.	The URA may sell or dispose of land resumed under the Lands Resumption Ordinance with the approval of the Chief Executive in Council. <i>(ref: clause 25 of URAB)</i>	The provision increases the flexibility of the URA in redeveloping the resumed land. The Authority can redevelop the land in joint-venture partnerships with private developers, redevelop the land by itself or sell the land to private developers for redevelopment if the circumstances justify. Nevertheless, the provision will only be invoked under very special circumstances in the consideration of the public interest – e.g. if selling the land to private developers can help improve and unify the overall redeveloped layout of the project area and benefit the public.