

LC Paper No. CB(1)238/03-04 (These minutes have been seen by the Administration)

Ref : CB1/BC/9/02/2

### **Bills Committee on Buildings (Amendment) Bill 2003**

## Minutes of fifth meeting held on Thursday, 16 October 2003, at 10:45 am in Conference Room A of the Legislative Council Building

Members present	:	Hon Cyd HO Sau-lan (Chairman) Ir Dr Hon Raymond HO Chung-tai, JP Hon Margaret NG Hon Andrew WONG Wang-fat, JP Hon Miriam LAU Kin-yee, JP Dr Hon TANG Siu-tong, JP Hon Abraham SHEK Lai-him, JP Hon LI Fung-ying, JP Hon WONG Sing-chi Hon LAU Ping-cheung Hon Audrey EU Yuet-mee, SC, JP
Members absent	:	Hon TAM Yiu-chung, GBS, JP Hon Albert CHAN Wai-yip
Public officers attending	:	<ul> <li>Miss CHEUNG Siu-hing Deputy Secretary for Housing, Planning and Lands (Planning and Lands)2</li> <li>Mr Rick CHAN Assistant Secretary for Housing, Planning and Lands (Buildings)1</li> <li>Mr AU Choi-kai Assistant Director (Support) Buildings Department</li> <li>Mr HO Kwok-hung</li> </ul>

		Chief Building Surveyor (Legal) Buildings Department
		Mr CHENG Kim-fung Senior Assistant Law Draftsman Department of Justice
	Clerk in attendance :	Miss Odelia LEUNG Chief Assistant Secretary (1)4
	Staff in attendance :	Mr LEE Yu-sung Senior Assistant Legal Adviser 1
		Ms Connie SZETO Senior Assistant Secretary (1)4
<u>Action</u>	I. Confirmation of (LC Paper No. )	of minutes CB(1)60/03-04 Minutes of meeting on 23 September 2003)
	The minutes of	f the fourth meeting held on 22 September 2003 were

The minutes of the fourth meeting held on 23 September 2003 were confirmed.

II.	Meeting with the Administration	
	(LC Paper No. CB(1)59/03-04(01)	 List of follow-up actions
		arising from the discussion at
		the meeting on 23 September
		2003
	LC Paper No. CB(1)2405/02-03(03)	 Information paper provided by
		the Administration on
		Building Safety Loan Scheme
	LC Paper No. CB(1)2405/02-03(04)	 Information paper provided by
		the Administration on
		uncooperative owners

2. <u>The Bills Committee</u> deliberated (Index of proceedings attached at the **Appendix**).

Follow-up actions to be taken by the Administration

3. The Administration was requested :

- (a) to advise if there were any applications for the Building Safety Loan Scheme (BSLS) which had been rejected because of the failure of the applicants to submit supporting documents in respect of the properties in question which were held under joint ownership. An example quoted was the failure of the applicant to produce a copy of the HKID card of the other co-owners;
- (b) to consider how applicants with negative equity could be assisted in applying for loans exceeding \$250,000 under BSLS as they were required to execute a legal charge registered against the title of a property owned by them or to obtain a letter of guarantee issued by a bank;
- (c) to advise how the interest rate for BSLS loans on the principle of "no gain, no loss" to Government was arrived at and whether the resources used in dealing with defaulting cases were included in the calculation;
- (d) referring to the submission of supporting documents on incomes and bank accounts by applicants under the low income category for the interest-free BSLS loan (page 4 of the application form for BSLS), to consider whether a reference letter from a registered social worker in support of the application could serve the purpose;
- (e) to provide the number and percentage of BSLS applications received up to July 2003 which were made in response to orders issued by the Building Authority;
- (f) to confirm whether all the sections referred to in the proposed section 39B(1) of the Buildings Ordinance (BO) (Cap. 123) were related to safety of buildings. Some members were concerned that the offences for contravention of proposed section 39B would attract severe penalties;
- (g) to confirm whether a person aggrieved by an order served on an owners' corporation (OC) might appeal to an Appeal Tribunal appointed under BO;
- (h) to consider how to resolve genuine difficulties encountered by individual owners who felt aggrieved by a decision made by an OC in response to an order served on the OC;
- (i) to explain whether BA would take enforcement action when disputes between individual owners and OCs concerning compliance with statutory orders were yet to be settled; and

(j) to advise who would be liable to offences relating to obstruction of OC if the owner was a company.

### III. Any other business

4. Members were reminded that the next meeting would be held on 28 October 2003, at 2:30 pm.

(*Post-meeting note*: With the concurrence of the Chairman, the next meeting was rescheduled for Thursday, 6 November 2003, at 2:30 pm. Members were informed vide LC Paper No. CB(1)96/03-04 on 17 October 2003.)

5. The meeting ended at 12:45 pm.

Council Business Division 1 Legislative Council Secretariat 5 November 2003

#### Action

# Proceedings of the fifth meeting of the Bills Committee on Buildings (Amendment) Bill 2003 on Thursday, 16 October 2003, at 10:45 am in Conference Room A of the Legislative Council Building

Time marker	Speaker	Subject(s)	Action required
000000 - 000213	Chairman	Confirmation of minutes of the fourth meeting held on 23 September 2003 (LC Paper No. CB(1)60/03-04)	
000214 - 000650	Administration	Briefing on the information paper on the Building Safety Loan Scheme (BSLS) (LC Paper No. CB(1)2405/02- 03(03))	
000651 - 001246	Ms LI Fung-ying Administration Chairman	<ul> <li>Reasons for rejecting applications for BSLS</li> <li>(a) the application was outside the scope of BSLS</li> <li>(b) failure of the applicants to provide</li> </ul>	Admin. to
		supporting information, e.g. copies of the HKID cards of other co- owners of the property, or to meet security requirements, e.g. executing a legal charge against the property	information under para. 3(a) of the
001247 - 001530	Mr LAU Ping-cheung Administration	<ul> <li>Works covered by loans under BSLS</li> <li>(a) enquiry about whether improvement works incidental or consequential to the demolition or repair works of buildings would be covered by the loan scheme</li> </ul>	
001531 - 002727	Ms Miriam LAU Administration Chairman	<ul> <li>Interest and security arrangements of BSLS</li> <li>(a) concern that applicants with negative assets could not execute a legal charge against their properties or obtain a bank guarantee as</li> </ul>	information

Time marker	Speaker	Subject(s)	Action required	
		\$250,000	the minutes	
		<ul><li>(b) enquiry about how the interest rate for loans on the principle of "no gain, no loss" to Government was arrived at</li></ul>		
		(c) explore ways to assist applicants with negative assets to obtain loans		
002728 - 003635	Ms Audrey EU Administration	Repayment of loans under BSLS		
	Chairman Ms Miriam LAU	(a) enquiry about default rate of loans		
		(b) enquiry about cost incurred in recovery of outstanding loans		
003636 - 003825	Chairman Administration	Supporting documents for loans under BSLS		
003826 - 004214	Ms Miriam LAU Administration	Implementation and publicity for BSLS		
004215 - 004354	Chairman Administration	Supporting documents for loans under BSLS		
		<ul> <li>(a) viability of accepting a reference letter from a registered social worker as a supporting document for application of interest-free loan under the low income category</li> </ul>	Admin. to consider the suggestion under para 3(d) of the minutes	
004355 - 005159	Mr Abraham SHEK	Publicity for BSLS		
	Administration Ms Miriam LAU	(a) concern about how to promote BSLS to elderly property owners living in old buildings		
		<ul> <li>(b) concern about how property owners or owners corporations (OC) whom the Building Authority (BA) had not served statutory improvement/removal orders on would be aware of BSLS</li> </ul>	under para	

Time marker	Speaker	Subject(s)	Action required
005160 - 005440	Mr Abraham SHEK Administration Chairman	Work of the Urban Renewal Authority in promoting rehabilitation of old buildings	
005441 - 005817	Ir Dr Raymond HO Administration	<ul><li>Encouraging take-up of BSLS</li><li>(a) viability of providing interest-free loans for all applications of BSLS</li></ul>	
005818 - 010122	Administration	Briefing on the information paper on uncooperative owners (LC Paper No. CB(1)2405/02-03(04))	
010123 - 010816	Mr Andrew WONG Administration	Enforcement problems of the proposal for BA to prosecute owners for obstructing an OC in complying with statutory orders (proposed section 39(B) of the Buildings Ordinance (BO))	
		<ul> <li>(a) factors and circumstances which BA would consider in deciding whether to instigate prosecution against uncooperative owners</li> </ul>	
		<ul><li>(b) liability for additional cost incurred by OC in complying with statutory orders arising from obstruction by uncooperative owners</li></ul>	
010817 - 012128	Ms Audrey EU Chairman Administration Ms Miriam LAU	Disputes between individual owners and OC concerning compliance with a statutory order served on the OC	
		(a) concern that affected owners would not be compensated for loss/inconvenience caused by compliance with order by OC	
		<ul><li>(b) Administration's role and assistance in resolving disputes between individual owners and OC in this respect</li></ul>	

Time marker	Speaker	Subject(s)	Action required
012129 - 012509	Ms Audrey EU	Remedies available for individual owners who felt aggrieved by decisions made by OC in response to order served on the OC	
012510 - 012633	Ms LI Fung-ying	Concern about delay in carrying out the works if there were disputes between OC and individual owners regarding compliance with an order	
012634 - 012913	Mr Andrew WONG	Remedies available to individual owners who felt aggrieved by decisions made by OC in response to order served on the OC	
		<ul><li>(a) right of appeal against unreasonable decisions made by the OC</li></ul>	
		(b) viability of specifying in the law that works effected by OC should cause minimum disturbance to affected owners	
012914 - 014724	Administration Ms Audrey EU Mr Andrew WONG Chairman SALA1	Remedies available to individual owners who felt aggrieved by decisions made by OC in response to order served on the OC	
	Ms Miriam LAU	<ul><li>(a) Administration's role and assistance in resolving disputes between individual owners and OC in this respect</li></ul>	takeactionunderpara.3(h)of
		<ul><li>(b) enquiry about whether an owner aggrieved by an order served on the OC could appeal to the Building Appeal Tribunal (section 44 of BO)</li></ul>	minutes
		<ul><li>(c) enquiry about whether orders served on an OC were all related to safety of buildings (i.e. sections referred to in proposed section 39B of BO)</li></ul>	take action

Time marker	Speaker	Subject(s)	Action required
014725 - 014841	Chairman Ms LI Fung-ying	Concern about delay in carrying out the works if there were disputes between OC and individual owners regarding compliance with an order, and whether BA would enforce the order before the disputes were settled	Admin. to take action under para. 3(i) of the
014842 - 015700	Mr Andrew WONG Chairman Ms Audrey EU	<ul> <li>Penalty for obstruction of OC in complying with order served on it (proposed section 40(4B) of BO)</li> <li>(a) concern that the penalty was too severe</li> <li>(b) enquiry about whether individual owners aggrieved by an order</li> </ul>	
		<ul><li>(c) liability for offence relating to obstruction of OC if the owner was</li></ul>	para 3(g) of the minutes
015701 - 015723	Chairman	a company Date of next meeting	para. 3(j) of the minutes

Council Business Division 1 Legislative Council Secretariat 5 November 2003