

立法會
Legislative Council

LC Paper No. CB(1)1690/11-12
(These minutes has been seen
by the Administration)

Ref : CB1/SS/9/11

Subcommittee on Rating (Exemption) Order 2012

Minutes of the third meeting
held on Friday, 16 March 2012, at 8:30 am
in Conference Room 2B of the Legislative Council Complex

Members present : Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Starry LEE Wai-king, JP
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip

Member attending : Hon James TO Kun-sun

Member absent : Hon LEE Cheuk-yan

Public officers attending : Agenda item I

Miss Cathy CHU
Deputy Secretary for Financial Services and the
Treasury (Treasury)

Ms Shirley KWAN
Principal Assistant Secretary for Financial Services
and the Treasury (Treasury)

Ms Joan HUNG
Assistant Secretary for Financial Services and the
Treasury (Treasury)

Mr IP Pak-keung
Assistant Commissioner (Rating and Valuation)
Rating and Valuation Department

Ms Leonora IP
Senior Assistant Law Draftsman
Department of Justice

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Miss Kitty CHENG
Assistant Legal Adviser 5

Miss Rita YUNG
Council Secretary (1)3

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)1281/11-12 -- Minutes of meeting held on
23 February 2012)

The minutes of the meeting held on 23 February 2012 were confirmed.

II. Meeting with the Administration

(LC Paper No. CB(1)1291/11-12(01) -- Amendments to the Order
to be moved by Hon Albert
CHAN

LC Paper No. CB(1)1291/11-12(02) -- Marked up on amendments
to the Order to be moved by
Hon Albert CHAN

LC Paper No. CB(1)1291/11-12(03) -- Administration's response
to amendments to the Order
to be moved by Hon Albert
CHAN

- LC Paper No. CB(1)1291/11-12(04) -- List of follow-up actions arising from the discussion at the meeting on 29 February 2012
- LC Paper No. CB(1)1291/11-12(05) -- Administration's response to issues raised at the meeting on 29 February 2012
- LC Paper No. CB(1)1196/11-12(01) -- List of follow-up actions arising from the discussion at the meeting on 23 February 2012
- LC Paper No. CB(1)1196/11-12(02) -- Administration's response to issues raised at the meeting on 23 February 2012
- LC Paper No. LS41/11-12 -- Paper on amendment to the Rating (Exemption) Order 2012 prepared by the Legal Service Division
- L.N. 14 of 2012 -- Rating (Exemption) Order 2012
- LC Paper No. LS26/11-12 -- Legal Service Division Report
- LC Paper No. CB(1)1103/11-12(01) -- Paper on Rating (Exemption) Order 2012 prepared by the Legislative Council Secretariat (background brief)
- LC Paper No. CB(1)1103/11-12(02) -- Letter dated 17 February 2012 from Hon Albert CHAN Wai-yip
(*Chinese version only*)

LC Paper No. CB(1)1103/11-12(03) -- Administration's response to questions raised by Hon Albert CHAN Wai-yip as set out in LC Paper No. CB(1)1103/11-12(02))

2. The Subcommittee deliberated (Index of proceedings attached at **Appendix**).
3. The Subcommittee completed the scrutiny of the Rating (Exemption) Order 2012 (the Order).

Legislative timetable

4. The Chairman informed the meeting that the deadline for giving notice of motion to amend the Order and the date of moving the motion to amend the Order at Council meeting was 21 and 28 March 2012 respectively. She had given a verbal report on the Subcommittee's deliberation at the House Committee (HC) meeting on 2 March 2012, and the written report would be provided to HC in due course.

III. Any other business

5. There being no other business, the meeting ended at 9:40 am.

Council Business Division 1
Legislative Council Secretariat
25 April 2012

**Proceedings of the third meeting of
Subcommittee on Rating (Exemption) Order 2012
on Friday, 16 March 2012, at 8:30 am
in Conference Room 2B of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
000243 – 000337	Chairman	Opening remarks by the Chairman. Confirmation of minutes of meeting on 23 February 2012 (LC Paper No. CB(1)1281/11-12).	
000338 – 000602	Chairman Mr Albert CHAN	Briefing by Mr Albert CHAN on his proposed amendments to the Rating (Exemption) Order 2012 (the Order) (LC Paper No. CB(1)1291/11-12(01)).	
000603 – 001639	Chairman Administration	Briefing by the Administration on its response to amendments to the Order proposed by Mr Albert CHAN (LC Paper No. CB(1)1291/11-12(03)).	
001640 – 001807	Chairman Mr Albert CHAN	Mr Albert CHAN opined that the proposed rates concession was biased towards the property developers and investors who owned a lot of properties in Hong Kong, and was unfair to the so-called "N-nothing" class who did not benefit from any relief measures announced in the Budget. Mr Albert CHAN indicated that he would give notice to move a motion to amend the Order at the Council meeting on 28 March 2012.	
001808 – 002624	Chairman Mr Alan LEONG Ir Dr Raymond HO	Mr Alan LEONG opined that Mr Albert CHAN's proposed amendments had not stipulated the criteria for exemption in clear and certain terms and would give rise to practical difficulties during implementation. Ir Dr Raymond HO opined that Mr Albert CHAN's proposed amendments were not cost-effective and would entail additional manpower and public expenditure if they were to be implemented.	
002625 – 003939	Chairman Mr James TO Administration	Discussion on the technicalities of the setting of exemption criteria to implement Mr Albert CHAN's proposed amendments.	
003940 – 004534	Chairman Ir Dr Raymond HO Mr James TO Ms Starry LEE	Ir Dr Raymond HO and Ms Starry LEE indicated that they were not in favour of Mr Albert CHAN's proposed amendments. They were of the view that the proposal would defeat the original purpose of the measure as ratepayers would no longer be able to obtain rates concession in a timely manner. Ms	

Time marker	Speaker	Subject(s)	Action required
		<p>Starry LEE also noted that Mr Albert CHAN's proposal could not tackle the problem of owners holding properties under different names. She suggested that the Administration should review the intended purpose of the rates concession taking into account the views expressed by members when it planned to introduce the measure again in the future.</p>	
004535 – 010341	<p>Chairman Mr James TO Administration</p>	<p>Discussion on the technicalities involved in the implementation of the exemption criteria in Mr Albert CHAN's proposed amendments.</p>	
010342 – 010936	<p>Chairman Mr Alan LEONG Administration</p>	<p>In response to Mr Alan LEONG's enquiry, the Administration advised that there were several tens of thousand demand notes for rates and/or Government rent that were issued to "Owner/Occupier" without the name. Mr Alan LEONG opined that there would be practical difficulties in implementing Mr Albert CHAN's proposal in these cases. Mr LEONG also suggested that the Administration should review the intended purpose of the rates concession taking into account the views expressed by members when it planned to introduce the measures again in the future.</p> <p>The Administration responded that the proposed arrangement of rates concession was introduced in the light of the feedback received in the 2012-2013 Budget's consultation exercise and that the public had been expecting this concession, as announced in this year's Budget, to be implemented on the same basis as in the past. The Administration planned to implement the concession on 1 April 2012, which would relieve ratepayers from the burden of paying rates in the coming financial year. As the issues involved required detailed discussions and complicated preparatory work and procedures, Hon Albert CHAN's proposal would considerably delay the commencement of the Rating (Exemption) Order 2012, thus rendering it impossible for all ratepayers to obtain rates concession with effect from 1 April 2012. The concerns as expressed by members might impact on the fundamentals of the rates concession arrangement affecting the public, and this would need careful considerations by all concerned.</p>	
010937 – 011015	<p>Chairman</p>	<p>Legislative timetable</p>	