

2003

THE LEGISLATIVE ASSEMBLY  
FOR THE AUSTRALIAN CAPITAL TERRITORY

---

(As presented)

(Treasurer)

# **Rates and Land Tax Amendment Bill 2003**

## **Contents**

---

	Page
1 Name of Act	2
2 Commencement	2
3 Act amended	2
4 New sections 12B and 12C	2
5 Section 13	4
6 New section 13B	6
7 Imposition of land tax	
Section 22A (3)	7
8 Multiple dwellings	
Section 22DA (3) (b)	8
9 Section 24A	8
10 New section 25A	12

---

## Contents

---

	Page
11 New sections 40 to 42	13
12 Dictionary, note 2	13
13 Dictionary, new definitions	14

2003

THE LEGISLATIVE ASSEMBLY  
FOR THE AUSTRALIAN CAPITAL TERRITORY

---

(As presented)

(Treasurer)

# **Rates and Land Tax Amendment Bill 2003**

---

## **A Bill for**

An Act to amend the *Rates and Land Tax Act 1926*

---

The Legislative Assembly for the Australian Capital Territory enacts as follows:

1 **1 Name of Act**

2 This Act is the *Rates and Land Tax Amendment Act 2003*.

3 **2 Commencement**

4 This Act commences on 1 July 2003.

5 *Note* The naming and commencement provisions automatically commence on  
6 the notification day (see Legislation Act, s 75 (1)).

7 **3 Act amended**

8 This Act amends the *Rates and Land Tax Act 1926*.

9 **4 New sections 12B and 12C**

10 *insert*

11 **12B Meaning of *CPI percentage increase***

- 12 (1) For this part, the *CPI percentage increase* applying to a rate year is  
13 the percentage increase (if any) in the CPI number between the  
14 December quarter before the beginning of the rate year and the  
15 previous December quarter.

16 *Note* A statement of this percentage increase for a rate year may be found in  
17 the publication *Consumer Price Index Australia* (produced by the  
18 Australian Bureau of Statistics) for the December quarter before the  
19 beginning of the rate year.

- 20 (2) If the CPI number for the December quarter before the beginning of  
21 a rate year is less than the CPI number for the previous December  
22 quarter, the percentage CPI increase applying to the rate year is, for  
23 this part, taken to be nil.

- 24 (3) If, at any time, whether before or after the commencement of this  
25 section, the Australian Statistician publishes for a particular  
26 December quarter a CPI number in substitution for a CPI number  
27 previously published by the Australian Statistician for the quarter,

the publication of the later CPI number must be disregarded for this section.

- (4) However, if, at any time, whether before or after the commencement of this section, the Australian Statistician changes the reference base for the Consumer Price Index, then, in applying this section after the change is made, regard is to be had only to numbers published in terms of the new reference base.

- (5) In this section:

**CPI number** means the number appearing for Canberra in the Consumer Price Index (All Groups Index) published by the Australian Statistician.

**rate year** means a year for which rates are to be imposed under this part.

## **12C People taken to be long-term owners of land**

- (1) Each of the following people is taken to be a **long-term owner** of a parcel of land:
- (a) the commissioner for housing in relation to a parcel of residential or rural land held by the commissioner other than a parcel held under a lease in the year the lease is granted;
  - (b) for a unit within the meaning of the *Unit Titles Act 2001* owned because of a transfer for which duty was paid under the *Duties Act 1999*, section 67 (Conversion of property to unit title)—the person owning the unit because of the transfer;
  - (c) for a parcel of residential or rural land owned, or owned in full, by a former domestic partner of a dead person because of a transfer, consent or transmission application for which duty was paid under the *Duties Act 1999*, section 69 (Deceased estates)—the former domestic partner of the dead person;
  - (d) for a parcel of residential or rural land held by a person as executor or trustee under the will of a dead person, or as

- 1 administrator of the estate of a dead person—the executor,  
2 trustee or administrator;
- 3 (e) for a parcel of residential or rural land held because of a  
4 dutiable transaction for which duty was paid under the *Duties*  
5 *Act 1999*, section 71 (Bankruptcy or insolvency)—the person  
6 holding the parcel because of the dutiable transaction;
- 7 (f) for a parcel of residential or rural land owned by 2 people  
8 because of a transfer for which duty was paid under the *Duties*  
9 *Act 1999*, section 72 (Transfer to spouse of interest in principal  
10 place of residence)—the people owning the parcel because of  
11 the transfer;
- 12 (g) for a parcel of residential or rural land owned because of a  
13 transfer for which no duty was paid under the *Duties Act 1999*,  
14 section 74B (Transfers relating to certain personal  
15 relationships)—the person owning the parcel because of the  
16 transfer.
- 17 *Note* The term **long-term owner** is defined in the dictionary and it is used  
18 in s 13 in relation to the imposition of rates.
- 19 (2) In this section:
- 20 **former domestic partner**, of a dead person, means a person who was  
21 a domestic partner of the dead person at the time of the dead  
22 person's death.

## 23 **5 Section 13**

24 *substitute*

### 25 **13 Imposition of rates**

- 26 (1) This section is subject to section 13B (Imposition—rating system  
27 2003-2004), section 24B (Unit subdivisions—rates) and section 25A  
28 (Unit subdivisions—rating system 2003-2004).
- 29 (2) Rates of the appropriate amount mentioned in subsection (3) are  
30 imposed for a parcel of rateable land.

(3) For subsection (2), the appropriate amount is as follows:

(a) for a parcel of residential or rural land owned by a long-term owner—the amount of the rates paid for the parcel for the previous year increased by the CPI percentage increase applying to the year for which the rates are imposed;

(b) for a parcel of residential land owned by a new owner, if the land has an average unimproved value of \$19 000 or less—\$300;

(c) for a parcel of residential land owned by a new owner, if the land has an average unimproved value more than \$19 000—an amount worked out in accordance with the formula:

$$\$300 + ((\text{AUV} - \$19\,000) \times 0.7820\%);$$

(d) for a parcel of rural land owned by a new owner, if the land has an average unimproved value more than \$19 000—an amount worked out in accordance with the formula:

$$(\text{AUV} - \$19\,000) \times 0.3910\%;$$

(e) for a parcel of residential land owned by the holder of a new lease—

(i) for the year when the lease is granted, if the average unimproved value of the parcel is \$19 000 or less—\$300; or

(ii) for the year when the lease is granted, if the average unimproved value of the parcel is more than \$19 000—an amount worked out in accordance with the formula:

$$\$300 + ((\text{AUV} - \$19\,000) \times 0.7820\%); \text{ or}$$

(iii) for the year after the year when the lease is granted—the amount of the rates that would have been paid for the parcel for the previous year if the holder of the new lease had owned the parcel throughout the year increased by the CPI percentage increase applying to the year for which rates are imposed;

- 1 (f) for a parcel of rural land owned by the holder of a new lease, if  
2 the land has an average unimproved value more than  
3 \$19 000—  
4 (i) for the year when the lease is granted—an amount  
5 worked out in accordance with the formula:  
6  $(AUV - \$19\,000) \times 0.3910\%$ ; or  
7 (ii) for the year after the year when the lease is granted—the  
8 amount of the rates that would have been paid for the  
9 parcel for the previous year if the holder of the new lease  
10 had owned the parcel throughout the year increased by  
11 the CPI percentage increase applying to the year for  
12 which rates are imposed;  
13 (g) for a parcel of commercial land having an average unimproved  
14 value of \$19 000 or less—\$300;  
15 (h) for a parcel of commercial land having an average unimproved  
16 value more than \$19 000—an amount worked out in  
17 accordance with the formula:  
18  $\$300 + ((AUV - \$19\,000) \times 1.3356\%)$ .

19 (4) In this section:

20 *AUV* means the average unimproved value of the relevant parcel of  
21 land.

## 22 **6 New section 13B**

23 *insert*

### 24 **13B Imposition—rating system 2003-2004**

- 25 (1) Section 13 does not apply in relation to a parcel of residential or  
26 rural land for the year beginning 1 July 2003.  
27 (2) For the year beginning 1 July 2003, rates are imposed for a parcel of  
28 residential or rural land in accordance with the formula:



R x 1.032

(3) In this section:

**R** means—

- (a) for a parcel of land that was rateable for the whole of the previous year—the amount of the rates payable for the parcel for that year; or
- (b) for a parcel of land that was rateable for only part of the previous year—the amount of the rates that would have been payable for the parcel for that year if it had been rateable for the whole of the year; or
- (c) for a parcel of land that was not rateable for the previous year—the amount of the rates that would have been payable for the parcel under section 13 for the year if the parcel had been rateable throughout the previous year.

(4) This section is subject to section 24B (Unit subdivisions—rates) and section 25A (Unit subdivisions—rating system 2003-2004).

(5) This section expires on 1 July 2004.

(6) The Legislation Act, section 88 (Repeal does not end effect of transitional laws etc) applies to this section.

## **7 Imposition of land tax**

### **Section 22A (3)**

*omit*

section 24A (Unit subdivisions)

*insert*

section 24C (Unit subdivisions—land tax)

**8 Multiple dwellings**  
**Section 22DA (3) (b)**

*omit*

section 24A

*insert*

section 24C (Unit subdivisions—land tax)

**9 Section 24A**

*substitute*

**24A Unit subdivisions**

(1) For this Act, if a parcel of land is subdivided by the registration of a units plan, the land making up the parcel is taken to continue to be a single parcel of land.

(2) This section is subject to section 24B (Unit subdivisions—rates) and section 24C (Unit subdivisions—land tax).

**24B Unit subdivisions—rates**

(1) This section applies to a parcel of land subdivided by the registration of a units plan.

(2) If rates imposed for the parcel for the year when the units plan is registered are not paid before the registration of the units plan, they are payable by the person who was the owner of the parcel on the day before the day when the units plan was registered.

(3) On and after 1 July after the day when the units plan is registered or, if it is registered on 1 July, on and after that 1 July—

(a) the rates imposed for the parcel are payable by the unit owners;  
and

(b) the amount payable by each unit owner is an amount worked out under subsection (4); and

- (c) no rates for the parcel are payable by the owners corporation.
- (4) Section 13 applies to impose rates on a unit that is part of the parcel as if—
- (a) a reference to a parcel of land were a reference to the unit; and
- (b) a reference to the average unimproved value of the unit were a reference to the value worked out in accordance with the following formula:

$$\frac{UE}{TUE} \times AUV$$

- (5) In subsection (4):

**UE** means the unit entitlement of the unit.

**TUE** means the unit entitlement of all the units in the units plan.

**AUV** means the average unimproved value of the parcel of land.

- (6) For the application of this Act to the parcel of land—

- (a) a reference to a parcel of land—

(i) in sections 5, 5A, 7, 8, 10, 11 (1) to (3), 12 and 15A (1) and (2)—is a reference to the parcel; and

(ii) in sections 12C, 14 (1), 15 (1) to (3) and (8) to (11), 15A (4) to (6), 21A (1), 34B and 34C—is a reference to a unit; and

(iii) for the dictionary, definitions of ***holder of a new lease***, ***long-term owner*** and ***new owner***—is a reference to a unit; and

(iv) in any other provision—is a reference to the parcel or a unit, as the case requires; and

- 1 (b) a reference to the owner—
- 2 (i) in sections 10, 12, 15A (3), 28A and 29—is a reference to
- 3 the owners corporation; and
- 4 (ii) in sections 14 (1), 15 (1) to (3), (10) and (11), 15A (4)
- 5 and (6), 17 (1), 19 (1) and (5), 20, 22 (1), 23 (1), 28 (1)
- 6 and 28A—is a reference to the relevant unit owner; and
- 7 (iii) for the dictionary, definitions of *holder of a new lease*,
- 8 *long-term owner* and *new owner*—is a reference to the
- 9 relevant unit owner; and
- 10 (iv) in any other provision—is a reference to the owners
- 11 corporation or the relevant unit owner, as the case
- 12 requires; and
- 13 (c) section 26 (1) does not apply to service of a notice on the
- 14 owners corporation.
- 15 (7) A term used in this section, and in the *Unit Titles Act 2001*, has the
- 16 same meaning as in that Act.
- 17 *Note* The following terms are defined in the *Unit Titles Act 2001*, dict:
- 18 • owners corporation
- 19 • unit
- 20 • unit owner
- 21 • units plan.

## 22 **24C Unit subdivisions—land tax**

- 23 (1) This section applies to a parcel of land subdivided by the
- 24 registration of a units plan.
- 25 (2) If land tax imposed for the parcel for the quarter when the plan is
- 26 registered is not paid before the registration of the units plan, it is
- 27 payable by the person who was the owner of the parcel on the day
- 28 before the day when the units plan was registered.
- 29 (3) On and after 1 July after the day when the units plan is registered or,
- 30 if it is registered on 1 July, on and after that 1 July—

- 1 (a) any land tax imposed under this Act for the parcel is payable
  - 2 by the unit owners whose units are subject to land tax; and
  - 3 (b) the amount payable by each owner is an amount that bears to
  - 4 the total amount of land tax the same proportion as the unit
  - 5 entitlement of the owner's unit bears to the aggregate unit
  - 6 entitlement of all the units that are subject to land tax; and
  - 7 (c) no land tax for the parcel is payable by the owners corporation.
- 8 (4) For the application of this Act to the parcel of land—
- 9 (a) a reference to a parcel of land—
  - 10 (i) in section 22A—is a reference to the parcel; and
  - 11 (ii) in sections 22B (1), 22C (1), (3) and (4), 22E (1) to (3),
  - 12 (6) and (7), 22EA, 22F, 28 (2), 34B and 34C—is a
  - 13 reference to a unit; and
  - 14 (iii) in any other provision—is a reference to the parcel or a
  - 15 unit, as the case requires; and
  - 16 (b) a reference to the owner—
  - 17 (i) in section 29—is a reference to the owners corporation;
  - 18 and
  - 19 (ii) in sections 21A (1), 22C (1), 22D (2), 22E (1) to (3) and
  - 20 (7), 22EA (2) and (4), 22F, 24 and 28A (2)—is a
  - 21 reference to the relevant unit owner; and
  - 22 (iii) in any other provision—is a reference to the owners
  - 23 corporation or the relevant unit owner, as the case
  - 24 requires; and
  - 25 (c) section 26 (1) does not apply to service of a notice on the
  - 26 owners corporation.

- 1 (5) A term used in this section, and in the *Unit Titles Act 2001*, has the  
2 same meaning as in that Act.

3 *Note* The following terms are defined in the *Unit Titles Act 2001*, dict:

- 4 • owners corporation  
5 • unit  
6 • unit owner  
7 • units plan.

8 **10 New section 25A**

9 *insert*

10 **25A Unit subdivisions—rating system 2003-2004**

- 11 (1) This section applies to a parcel of land to which section 24B would,  
12 apart from subsection (2), apply.

- 13 (2) Section 24B (3) and (4) does not apply in relation to the year  
14 beginning 1 July 2003.

- 15 (3) For the year beginning 1 July 2003, rates are imposed for a unit that  
16 is part of a parcel of land subdivided by the registration of a units  
17 plan in accordance with the formula:

18 
$$R \times 1.032.$$

- 19 (4) In this section:

20 ***R*** means—

- 21 (a) for unit that was rateable for the whole of the previous year—  
22 the amount of the rates payable for the unit for that year; or  
23 (b) for a unit that was rateable for only part of the previous year—  
24 the amount of the rates that would have been payable for the  
25 unit for that year if it had been rateable for the whole of the  
26 year; or  
27 (c) for a unit that was not rateable for the previous year—the  
28 amount of the rates that would have been payable for the unit

under section 25 for the year if the unit had been rateable throughout the previous year.

(5) This section expires on 1 July 2004.

(6) The Legislation Act, section 88 (Repeal does not end effect of transitional laws etc) applies to this section.

## **11 New sections 40 to 42**

*insert*

### **40 Regulations may provide for transitional matters**

(1) The regulations may prescribe transitional matters necessary or convenient to be prescribed because of the enactment of the *Rates and Land Tax Amendment Act 2003*.

(2) Regulations made for this section must not be taken to be inconsistent with this Act so far as they can operate concurrently with this Act.

### **41 Modifications of pts 3 and 5**

The regulations may modify part 3 and this part to make provision in relation to anything that is not, or in the Executive's opinion adequately, dealt with in part 3 or this part.

### **42 Expiry after 1 year**

Sections 40 and 41 and this section expire 1 year after the day this section commences.

## **12 Dictionary, note 2**

*insert*

- domestic partner (see s 169)

1 **13 Dictionary, new definitions**

2 *insert*

3 *CPI percentage increase*—see section 12B.

4 *holder of a new lease*, for a parcel of land in relation to a year,  
5 means a person who was granted a lease of the land in that year or in  
6 the previous year.

7 *long-term owner*, of a parcel of land in relation to a year, means a  
8 person who owned the land on 1 July in that year and had owned the  
9 land throughout the previous year.

10 *Note* Section 12C provides for certain people to be taken to be long-term  
11 owners.

12 *new owner*, of a parcel of land in relation to a year, means a person  
13 who owned the land on 1 July in that year and had acquired it during  
14 the previous year, but does not include a person who is the holder of  
15 a new lease for the land.

---

**Endnote**

**Republications of amended laws**

For the latest republication of amended laws, see [www.legislation.act.gov.au](http://www.legislation.act.gov.au).