

## EXPLANATORY STATEMENT

### AUSTRALIAN CAPITAL TERRITORY RATES AND LAND TAX (AMENDMENT) ORDINANCE 1988

No. 63, 1988

The Rates and Land Tax Ordinance ("the Principal Ordinance") currently provides for all rateable land to be revalued in general revaluations each having effect as at a date notified by the Minister in the Gazette. The Rates and Land Tax (Amendment) Ordinance 1988 ("the Ordinance") alters the system so that general revaluations are carried out on a triennial cycle. In addition to removing a number of redundant provisions and making a number of minor corrections to the Principal Ordinance, the Ordinance inserts a provision providing that failure to pay an instalment of rates by the due date for payment makes the full outstanding amount of rates payable.

Details of the Ordinance are set out below.

Section 1 cites the short title of the Ordinance as the Rates and Land Tax (Amendment) Ordinance 1988.

Section 2 states that the Principal Ordinance means the Rates and Land Tax Ordinance 1926.

Sections 3 and 4 amend interpretative provisions in the Principal Ordinance.

Section 5 repeals the redundant section 7 of the Principal Ordinance (which deals with the first determination of values in 1970) and inserts a new provision dealing with the initial determination of unimproved values. This section requires the Minister, where a parcel of land becomes rateable, to determine either:

- (a) the unimproved value as at the date of the last general revaluation; or
- (b) the unimproved value as at both the date of the general revaluation before last and the last general revaluation;

depending on whether or not the determination will apply to a period before that to which the last general revaluation applied.

Section 6 amends section 8 of the Principal Ordinance by omitting subsection (1) and substituting provisions requiring the Minister, as soon as practical after 1 January 1988, to re-determine the unimproved values, as at that date, of all rateable parcels of land in the Territory and, as soon as practical after 1 January every three years thereafter, to re-determine unimproved values, as at the relevant date, of all parcels of rateable land in the Territory.

Section 7 repeals section 9 of the Principal Ordinance which provides for the first determination of the unimproved value of a parcel of land.

Section 8 omits subsections 11(1), (2), (3), (3A) and (4) and substitutes new subsections 11(1) and 11(2) which specify the period during which a determination under section 7 and a re-determination under section 8 of the Principal Ordinance apply.

- . Subsection 11(1) provides that a determination under section 7 applies to rates for the year that began on 1 July before the land became rateable; and
- . Subsection 11(2) provides that a re-determination under section 8 applies to rates for the period beginning on 1 July in the calendar year after the calendar year in which the last general revaluation took place and ending 3 years later.

Section 9 amends section 12 of the Principal Ordinance by omitting from paragraph (a) the words "office of the Secretary" and substituting "Department".

Section 10 repeals the redundant section 14A of the Principal Ordinance (which deals with the period 1 January 1970 to 30 June 1970).

Section 11 amends section 15 of the Principal Ordinance by correcting a minor error in subparagraph (5)(b)(iii) and by omitting subsection (11) which defines "instalment day". This definition is inserted into section 4 of the Principal Ordinance by section 3 of the Ordinance.

Section 12 inserts a new section 15A to make provision for the situation where the unimproved value of a parcel of land has not been determined or re-determined when required. This section empowers the Minister to determine or re-determine, as the case requires, the unimproved value of a parcel of land as at such relevant dates as are necessary having regard to the date when the parcel became rateable.

- . Subsection 15A(1) provides that the section applies to land which was:
  - (a) not valued at the general revaluation immediately prior to it becoming rateable, and not valued subsequently; or
  - (b) not revalued in a general revaluation.
- . Subsection 15A(2) requires the Minister to determine or re-determine the value of such land as at any general revaluation in which the land was not included.

- Subsection 15A(3) requires the Minister to record in the Department such a determination and to notify the owners of the land of the valuation.
- Subsection 15A(4) allows the Minister to prepare an assessment of rates payable in respect of the land and to notify the owners of the land of those assessments.
- Subsection 15A(5) provides for specification of a due date for rates payable under the section.
- Subsection 15A(6) provides for rates to be payable by the owner of a parcel of land to which the section applies but only for the period of that person's actual ownership.

Section 13 substitutes a new section 22.

- Subsection 22(1) provides that rates payable under the Principal Ordinance are a debt due and payable to the Commonwealth and may be recovered by action in a Court of competent jurisdiction.
- Subsection 22(2) provides that where an instalment of rates is not paid by the due date, the full amount of unpaid rates becomes due and payable on the due date for payment of the rates.

Section 14 amends section 22E of the Principal Ordinance by correcting a minor error in subparagraph (5)(6)(iii) and by omitting subsection (10) which defines "instalment day". This definition is inserted into section 4 of the Principal Ordinance by section 3 of the Ordinance.

Section 15 inserts a new section 22EA, to the same effect as the new section 15A but relating to land tax. Land tax is imposed by the existing section 22A which exempts residential land, farm land and land used for the provision of Commonwealth Welfare Services.

- Subsection 22EA(1) provides that the section applies to land to which section 15A applies;
- Subsection 22EA(2) allows the Minister to assess the amount of land tax payable and to notify the owners of the land;
- Subsection 22EA(3) permits the due date for payment of land tax to be specified.
- Subsection 22EA(4) provides that land tax is payable by the owner of a parcel of land to which the section applies but only for the period of that person's actual ownership.

Section 16 inserts a new section 22H into the Principal Ordinance which extends the definition of "owner" to include former owners for the purposes of the proposed sections 15A and 22EA.

Sections 17, 18, 19 and 20 of the Ordinance contain consequential amendments arising from new sections 15A and 22EA as well as other amendments effected by the proposed Ordinance. There are also corrections to a number of minor errors, in the Principal Ordinance.

Issued by Authority  
of the Minister for the  
Arts and Territories.