

REAL PROPERTY TAX (AMENDMENT) BILL, 2019

Arrangement of Sections

Section

1.	Short title and commencement.....	2
2.	Amendment of section 2 of the principal Act.....	2
3.	Amendment of section 3 of the principal Act.....	3
4.	Amendment of section 7 of the principal Act.....	3
5.	Repeal and replacement of section 9 of the principal Act.....	3
6.	Amendment of section 10 of the principal Act.....	4
7.	Repeal and replacement of sections 21A to 21C of the principal Act.....	4
8.	Amendment of section 22 of the principal Act.....	5
9.	Amendment of section 28 of the principal Act.....	5
10.	Amendment of the principal Act.....	5



REAL PROPERTY TAX (AMENDMENT) BILL, 2019

A BILL FOR AN ACT TO AMEND THE REAL PROPERTY TAX ACT

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Real Property Tax Act (*Ch. 375*), may be cited as the Real Property Tax (Amendment) Act, 2019.
- (2) This Act shall come into force on the 1st day of July, 2019.

2. Amendment of section 2 of the principal Act.

Subsection (1) of section 2 of the principal Act is amended —

- (a) by the insertion in the appropriate alphabetical order of the following new definition —
“**commercial property**” means any property used to carry on a business activity but does not include residential property;”;
- (b) in the definition of “owner”, by the deletion of paragraph (c) and the substitution of the following —
 - “(c) where property is mortgaged —
 - (i) the mortgagee shall be deemed also to be the owner of the property in the circumstances specified in section 19;
 - (ii) the mortgagee shall be deemed to be the owner where he is in possession of the property.”;
- (c) by the deletion of the words “market value” and the substitution of the words “value”; and
- (d) in the definition of “owner-occupied property” by the deletion of the words “basis that is six months or longer” and the substitution of the words “or seasonal basis”.

3. Amendment of section 3 of the principal Act.

Section 3 of the principal Act is amended —

- (a) in the proviso appearing immediately after subparagraph (ii) of paragraph (a) of subsection (2), by the deletion of the word “fifty” and the substitution of the word “sixty”;
- (b) in paragraph (c) of subsection (2), by the deletion of the words “any other property” and the substitution of the words “commercial property”;
- (c) by the insertion immediately after paragraph (d) of the following new paragraph—
 - “(e) in respect of any other property a tax at the rate of two per centum per annum of the value of the property,”; and
- (d) by the deletion of subsection (3).

4. Amendment of section 7 of the principal Act.

Section 7 of the principal Act is amended —

- (a) in subsection (4)(d), by the insertion immediately after the word “post” of the words “or any electronic means”; and
- (b) by the insertion immediately after subsection (7) of the following new subsection —
 - “(8) The assessment list for all properties assessed, shall be published on an official Government website.”.

5. Repeal and replacement of section 9 of the principal Act.

Section 9 of the principal Act is repealed and replaced as follows —

“9. Method of assessment.

- (1) The Chief Valuation Officer shall determine the effective date of an assessment of the value of property for the purposes of his duty to assess property under section 7 and to reassess property under section 8 and such assessment shall be based on conditions in existence on the effective date of the assessment.
- (2) In assessing value for the purposes of this Act, the Chief Valuation Officer may establish rates for land and improvements which shall be calculated by taking into account the following in relation to the effective date of the assessment —
 - (a) the consideration in money which the property, being a property freely offered for sale and purchased by

persons who are not related persons, would generally fetch if sold in the circumstances, including any special market conditions, in existence on such date in The Bahamas;

- (b) where the value cannot be determined under paragraph (a), the consideration in money which a similar property in terms of use, size, locality and topography, being a property freely offered for sale and purchased by persons who are not related persons, would generally fetch if sold in similar circumstances on such date or within the preceding three years of such date;
- (c) where the value cannot be determined under paragraphs (a) or (b), determined in accordance with a method approved by the Chief Valuation Officer which provides a sufficiently objective approximation of the consideration in money which could be obtained for the sale of such property had the property been freely offered for sale and purchased by persons who are not related persons.”.

6. Amendment of section 10 of the principal Act.

Section 10 of the principal Act is amended by the insertion immediately after subsection (4) of the following new subsection —

- “(5) The Chief Valuation Officer may by notice in writing, require any person to furnish any document he considers necessary to support the return, for the purposes of enabling the Chief Valuation Officer to compile and maintain an accurate assessment of any property.”.

7. Repeal and replacement of sections 21A to 21C of the principal Act.

Sections 21A to 21C of the principal Act is repealed and replaced as follows —

“ **21A. Waiver of surcharge.**

- (1) A person registered as the owner of residential property or owner-occupied property may enter into an agreement for not more than five years with the Chief Valuation Officer for the payment of outstanding tax to the Chief Valuation Officer and upon entering such agreement, the Chief Valuation Officer may waive any surcharge payable on the tax.
- (2) Notwithstanding subsection (1) —
 - (a) if the property being the subject of the agreement is sold during the period of the waiver; or
 - (b) if there is a default on the agreement,

the entire tax including the surcharge shall become due and payable.”.

8. Amendment of section 22 of the principal Act.

Section 22 of the principal Act is amended —

- (a) by the renumbering of the section as subsection “(1)”;
- (b) by the insertion immediately after subsection (1) of the following new subsection —
 - “(2) Any sums due under subsection (1) may be paid by the payer to the Treasurer by any approved electronic means whatsoever, including by wire transfer.”.

9. Amendment of section 28 of the principal Act.

Subsection 28 of the principal Act is amended by the insertion immediately after subsection (2) of the following new subsection —

- “(2A) The service of any document referred to in subsections (1) or (2) may be effected by electronic mail and facsimile transmission, and proof of service of a document served by these means may be proved by an electronic mail return receipt and a facsimile transmission verification report.”.

10. Amendment of the principal Act.

The principal Act is amended by the deletion of the words “market value” wherever they appear and the substitution of the word “value”.

OBJECTS AND REASONS

This Bill seeks to make provision for several amendments to the Real Property Tax Act (*Ch. 375*).

Clause 1 of the Bill makes provision for the short title and commencement.

Clause 2 of the Bill seeks to revise a number of definitions in the principal Act, for the following purposes —

- (a) to provide for the insertion of the new definition “commercial property”;
- (b) to clarify the circumstances where the mortgagee is considered to be the owner;

- (c) to alter the definition of “owner-occupied property” to change from “resides in such property exclusively as a dwelling house on a permanent basis that is six months or longer” to “resides in such property exclusively as a dwelling house on a permanent or seasonal basis”; and
- (c) to delete the definition of the term “market value” and to substitute the term “value”.

Clause 3 of the Bill seeks to amend section 3 of the principal Act —

- (a) to create a new category referred to as commercial property;
- (b) to increase the maximum annual ceiling for owner-occupied property from \$50,000.00 to \$60,000.00; and
- (c) to delete subsection (3) which is no longer relevant because the exception in subsection (2) no longer distinguishes between a Bahamian or non-Bahamian.

Clause 4 of the Bill seeks to amend section 7 of the principal Act to provide for the Government to issue by electronic communication a notice of assessment and to publish the assessment list on an official government website.

Clause 5 of the Bill seeks to repeal and replace section 9 of the Act to provide for a new method of assessment for the valuation of property by the Chief Valuation Officer.

Clause 6 of the Bill seeks to amend section 10 of the principal Act to empower the Chief Valuation Officer to require any person to furnish documents which he considers necessary to support the return.

Clause 7 of the Bill seeks to repeal sections 21A to 21C of the principal Act and substitute a new section 21A for the purpose of empowering the Chief Valuation Officer to waive surcharges in circumstances where an owner wishes to enter into a agreement plan to settle outstanding taxes.

Clause 8 of the Bill seeks to amend section 22 of the principal Act to provide for real property tax to be paid by any electronic means including wire transfer.

Clause 9 of the Bill seeks to amend section 28 of the principal Act to provide for any documents to be served by any electronic means.

Clause 10 of the Bill seeks to amend relevant provisions throughout the principal Act by the deletion of the term “market value” wherever it appears and the substitution of the term “value”.