

REAL PROPERTY TAX (AMENDMENT) BILL, 2021

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REAL PROPERTY TAX (AMENDMENT) BILL, 2021

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, 2021.
- (2) This Act shall come into force on the 1st day of July, 2021.

2. Amendment of section 2 of the principal Act.

Subsection (1) of section 2 of the principal Act is amended by the deletion and substitution of the following definitions —

“**improvements**” means any physical additions or alterations to, or any works for the benefit of the land made or done by the owner or any of his predecessors in title which has the effect of increasing the value of such land provided that —

- (a) the destruction or removal of timber or vegetable growth;
- (b) the draining, filling, excavation or reclamation of the land;
- (c) the placement of retaining walls or other similar works designed to arrest or prevent erosion or flooding of the land; or
- (d) the grading or levelling of the property,

shall not be regarded as improvements;”;

“**unimproved property**” means property on which no improvements have been effected, but does not include any property that is used to carry on any business activity;”.

3. Insertion of new section 10A into the principal Act.

The principal Act is amended by the insertion immediately following section 10 of the following new section —

“10A. Return where there is a change of use of property classified as owner-occupied.

- (1) Where a property classified as owner-occupied is being used as a residential property or vacation rental, or for any purpose other than solely as a dwelling for the owner, the owner shall, within fourteen days of the change of use, make a return in the form prescribed pursuant to section 10(1) and shall give particulars of the date the use changed and details of the use.
- (2) Any person who —
 - (a) without reasonable excuse, fails to make the required return;
 - (b) makes any statement in the return as to use of the property which he knows is false in any material particular; or
 - (c) recklessly makes any statement as to use of the property which is false in any material particular,shall be liable to an administrative penalty of a sum not exceeding ten thousand dollars imposed by the Chief Valuation Officer.
- (3) Prior to imposing a penalty under subsection (2), the Chief Valuation Officer shall issue a notice to the person who is alleged to have contravened subsection (2), stating the nature of the contravention, the amount of the penalty, and granting a period of fourteen days from the date of service of the notice, within which the person to whom the notice is issued may appear or otherwise make representation to the Chief Valuation Officer.
- (4) Where a person makes representations in accordance with a written notice under subsection (3), the Chief Valuation Officer must determine, within fourteen days of his review, whether to impose a penalty and the amount thereof.
- (5) A decision by the Chief Valuation Officer to impose a penalty, shall be given to the person in writing and served

in accordance with section 28, stating the reasons for the decision.

- (6) Any person aggrieved by the decision of the Chief Valuation Officer may, within thirty days after the notice, object to the penalty by serving on the Chief Valuation Officer a written notice stating the grounds upon which he relies.
- (7) Where the Chief Valuation Officer decides not to take the action indicated in the notice, or the action notified in its written decision, the Chief Valuation Officer shall give a notice of discontinuance to the person to whom the written warning or decision was given in accordance with section 28.”.

4. Amendment of section 22 of the principal Act.

Subsection (1)(a) of section 22 of the principal Act is amended by the deletion of the words “at the Treasury”.

5. Amendment of section 24 of the principal Act.

Section 24 of the principal Act is amended by the deletion of the word “Treasurer” wherever it appears, and the substitution of the words “Chief Valuation Officer”.

OBJECTS AND REASONS

This Bill seeks to amend the principal Act —

- (a) to amend section 2 thereof, to improve the clarity of the definitions of “improvements” and “unimproved property”;
- (b) to provide for the insertion of a new section 10A into the principal Act —
 - (i) to bring about greater accountability by requiring annual returns as to the change of use of property by property owners; and
 - (ii) to provide for the imposition of an administrative penalty on such property owners where they *inter alia*, fail, without reasonable excuse, to make the required return of the particulars of the change of use of that property; and
- (c) to provide for certain consequential amendments to sections 22 and 24.