

REAL PROPERTY TAX (AMENDMENT) BILL, 2024

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REAL PROPERTY TAX (AMENDMENT) BILL, 2024

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, 2024.
- (2) This Act shall come into operation on the 1st day of July, 2024.

2. Amendment of section 2 of the principal Act.

Section 2 of the principal Act is amended by the insertion immediately after subsection (2) of the following new subsection (3) —

- “(3) Notwithstanding anything to the contrary in this Act, a property shall not be considered to be owned by a Bahamian where —
- (a) a Bahamian serves as a trustee for a person who is not a Bahamian, and receives or is entitled to receive the rackrent of such property as trustee;
 - (b) a Bahamian is a life tenant of the property and any of the remaindermen is not a Bahamian.”.

3. Amendment of section 21 of the principal Act.

Section 21 of the principal Act is repealed and replaced as follows —

“21. Surcharge.

If any tax is not paid on or before the last day when the tax becomes due and payable under the provisions of this Act, there shall be added thereto as a surcharge from that day until payment —

- (a) for unimproved property owned by a non-Bahamian —
 - (i) in the first year that the tax is outstanding, a sum equal to five per centum of such tax per annum;
 - (ii) in the second year that the tax is outstanding, a sum equal to seven and a half percent of such tax per centum annum;
 - (iii) in the third and following years that the tax is outstanding, a sum equal to twelve per centum of such tax per annum;
- (b) for all other property, a sum equal to five per centum of such tax per annum.”.

4. Amendment of section 25A of the principal Act.

Section 25A of the principal Act is amended —

- (a) in subsection (8), by the insertion, immediately before the words “any reserve price”, of the words “subject to subsection (8A)”;
- (b) by the insertion immediately after subsection (8), of the new subsection (8A) as follows —

“(8A) Where the value of the property to be sold is less than the amount of tax due, plus penalties and interest thereon, and the cost of advertising and conducting the sale, the Chief Valuation Officer may —

 - (a) fix a reserve price for less than the amount of tax due, plus penalties and interest thereon and the costs referenced herein; and
 - (b) take such measures as are provided for in this Act, to recover the outstanding balance.”;
- (c) by the deletion of the word “land”, wherever it appears in this section and the substitution of the word “property”.

5. Amendment of section 25B of the principal Act.

Section 25B of the principal Act is amended —

- (a) by the deletion of the word “land” wherever it appears and the substitution of the word “property”;
- (b) by the insertion immediately after subsection (1), of the following —

“(1A) Notwithstanding anything to the contrary in the Conveyancing and Law of Property Act (*Ch. 138*) or any other law concerning the conveyance of property, the title of the property purchased under section 25A, shall be

indefeasible and any subsequent purchaser of the property shall not be entitled to require the title to be deduced beyond the production of the conveyance issued upon the exercise of the power of sale under section 25A.”;

- (c) in subsection (2), by the insertion immediately after the word “including”, the words “value added tax payable on the conveyance and”.

6. Amendment of section 25C of the principal Act.

Section 25C of the principal Act is amended by the deletion of the word “land” wherever it appears and the substitution of the word “property”.

7. Amendment of section 25E of the principal Act.

Section 25E of the principal Act is amended by the deletion of the word “land” wherever it appears and the substitution of the word “property”.

8. Insertion of new section 25F into the principal Act

The principal Act is amended by the insertion, immediately after section 25E, of the new section 25F, as follows —

“25F. Power of Treasurer to acquire property.

- (1) Where the amount of tax relative to any property other than owner-occupied property beneficially owned by a Bahamian, together with penalties and interest, exceed the value of the property assessed by the Chief Valuation Officer under section 7, and the tax is in arrears and unpaid, the Treasurer may acquire the property in accordance with this section.
- (2) The Treasurer shall issue to the owner, a notice of intending acquisition, advising that the property shall be acquired pursuant to this Act.
- (3) The notice of intending acquisition under this section shall be published in the *Gazette* and posted on some conspicuous , part of the property.
- (4) If any person on whom a notice is served under this section, fails within thirty days to settle the arrears of tax, including penalties and interest relative to the property in respect of which the notice of intending acquisition was issued, the Treasurer shall issue a notice of possession, vesting the property in the Treasurer.
- (5) Upon acquisition of the property by the Treasurer, an amount representing the value of the property assessed by the Chief

Valuation Officer shall be applied towards the outstanding tax.

- (6) The Chief Valuation Officer shall take other measures as provided for under this Act, to recover any deficit in the outstanding tax that was due by the owner prior to the acquisition of the property by the Treasurer.”.

9. Amendment of section 27 of the principal Act.

Section 27 of the principal Act is amended in subsection 3(b), by the deletion of the word “Secretary” and the substitution of the words “Chief Valuation Officer”.

OBJECTS AND REASONS

Clause 1 of the Bill sets out the Short Title and commencement.

Clause 2 of the Bill seeks to amend section 2 of the principal Act, by providing that where the trustee or life tenant of a property is Bahamian, the property will not be considered to be Bahamian-owned unless the beneficiaries and remaindermen are also Bahamian.

Clause 3 of the Bill seeks to repeal and replace section 21 of the principal Act, in order to increase the surcharge on unimproved properties owned by non-Bahamians.

Clause 4 of the Bill seeks to amend section 25A of the principal Act by —

- (i) replacing the word “land” with the word “property”; and
- (ii) permitting the Chief Valuation Officer, in exercise of the power of sale, to fix a reserve price for less than the amount of tax where the value of the property is less than the tax due and payable.

Clause 5 of the Bill seeks to amend section 25B of the principal Act by —

- (i) replacing the word “land” with the word “property”; and
- (ii) providing for the the title of the purchaser of property sold under the power of sale to be indefeasible and to prevent subsequent purchasers from having to produce more than the conveyance issued under the power of sale;
- (iii) providing for value added tax to be paid out of sale proceeds.

Clauses 6 and 7 seek to respectively amend sections 25C and 25E of the principal Act, by the deletion of the word “land” wherever it appears and the substitution therefor, of the word “property”.

Clause 8 seeks to provide for the insertion, immediately after section 25E, of the new section 25F in the principal Act, to vest the Treasurer with the power to acquire property, where the amount of tax relative to any property, other than owner-occupied property beneficially owned by a Bahamian, together with penalties and interest, exceed the value of the property assessed by the Chief Valuation Officer under section 7.

Clause 9 seeks to amend section 27(3)(b) of the principal Act, by the deletion of the word “Secretary” and the substitution therefor of the words “Chief Valuation Officer”.