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# REAL PROPERTY TAX (AMENDMENT) ACT, 2025

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**No. 43 of 2025**

# **REAL PROPERTY TAX (AMENDMENT) ACT, 2025**

## **AN ACT TO AMEND THE REAL PROPERTY TAX ACT (CH. 375)**

[Date of Assent 27<sup>th</sup> June, 2025]

**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, 2025.
- (2) This Act shall come into force on the 1st day of July, 2025.

### **2. Amendment of section 2 of the principal Act.**

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

- (a) in the definition of “owner-occupied property” by the insertion immediately after the words “seasonal basis”, of the words “for a period of not less than ninety days in the year”;
- (b) by the insertion, in the appropriate alphabetical order, of the following new definitions —
  - “ **derelict building**” means a building or structure formerly used or intended to be used as a residential dwelling or commercial premises which —
    - (a) building condemned by Ministry of Works;
    - (b) is in a state of material disrepair, decay, or structural unsoundness;
    - (c) is unfit for use as a place of residence or place of business; and
    - (d) has been abandoned or left vacant;

“tax” means —

- (a) any amount charged or levied under section 3 as real property tax;
- (b) any reasonable costs or expenses incurred in the recovery, enforcement, or attempted recovery of any such amount, including legal fees, administrative charges, and enforcement expenses;”.

### **3. Amendment of section 3 of the principal Act.**

Subsection (2) of section 3 of the principal Act is amended —

- (a) by the deletion of the proviso appearing immediately after paragraph (a) (ii), and the substitution of the following —

“Provided that where the property has been occupied and resided in by the owner for a period not less than one hundred and eighty-three days in the year, the maximum annual tax shall not exceed one hundred and fifty thousand dollars.”;
- (b) by the insertion immediately after subsection (10) of the following as subsection (11) —

“(11) Notwithstanding any other provision of this Act, where any real property on the island of New Providence contains a derelict building, the owner of such property shall be liable to pay a minimum real property tax of five dollars per annum.”.

### **4. Amendment of section 22A of the principal Act.**

Section 22A of the principal Act is amended by —

- (a) the deletion of the word “Minister” wherever it appears and the substitution of the words “Chief Valuation Officer”;
- (b) in subsection (1), the deletion of the words “and who is unable to pay such sums,”;
- (c) in subsection (2) —
  - (i) in the chapeau, the insertion immediately after the words “the applicant shall”, of the words, “ complete the prescribed form” and by the deletion of the word “ state”;
  - (ii) the deletion of paragraphs (a) to (d);
- (d) in subsection (3), the insertion immediately after the words “shall vest in the Treasurer” of the words “freed and discharged from all estates, charges, and encumbrances”;
- (e) the insertion immediately after subsection (3), of the following new subsection (3A) —

“(3A) For the avoidance of doubt, the market value of the real property conveyed under this section shall be in exchange for the full remittance of any outstanding taxes and surcharges and where the market value of the real property is greater than the outstanding taxes and surcharges, no excess amount shall be paid to the person transferring the property.”;

- (f) in subsection (4), the deletion of the words “Treasurer shall require the owner to produce satisfactory evidence” and the substitution of the words “Chief Valuation Officer shall request satisfactory evidence.”;
- (g) the deletion of subsection (6).

## **5. Amendment of section 25 of the principal Act.**

Section 25 of the principal Act is amended —

- (a) in subsection (3), by the insertion immediately after the words “upon payment of the lien holder to the Chief Valuation Officer”, of the words “an amount not less than the outstanding tax and surcharge unpaid on the property.”;
- (b) by the insertion immediately after subsection (3), of the following new subsection (3A) —

“(3A) For the purposes of subsection (3), any amount paid by the lien holder in excess of the outstanding tax and surcharge shall be treated as a payment by the lien holder of the costs or expenses incurred in the recovery, enforcement, or attempted recovery of any such amount incurred by the Chief Valuation Officer in respect of the property.”;
- (c) in paragraph (d)(i) of subsection (6), by the insertion immediately after the words “sell the property and”, of the words, “subject to subsection (6A).”;
- (d) by the insertion immediately after subsection (6), of the following new subsection (6A) —

“(6A) Where a lien holder sells property under subsection (6)(d)(i), and there is a surplus after applying the purchase money as specified in section 25B(1)(a) and (b), the lien-holder shall pay the surplus to the Treasurer who shall deposit it into the Consolidated Fund.”.

## **6. Amendment of section 42 of the principal Act.**

Subsection (1) of section 42 of the principal Act is amended in the proviso appearing immediately after paragraph (l) by —

- (a) the deletion of the full stop at the end of subparagraph (c) and the substitution of a semi-colon;
- (b) the insertion immediately after subparagraph (c) of the following  
——  
“(d) subparagraph (c) does not apply to a person who received an exemption for a period of twenty years before the 1st day of July, 2023.”.

## **7. Insertion of new section 42B into the principal Act.**

The principal Act is amended by the insertion, immediately after section 42A, of the following new section 42B —

### **“42B. Waiver of tax arrears for improved property.**

- (1) Notwithstanding anything to the contrary in this Act, any owner of real property on which a derelict building is situated may be eligible for a waiver from the payment of real property tax arrears, in part or in whole, in respect of that property, if improvements (including demolishing and rebuilding the building) are completed such that it is no longer determined to be a derelict building.
- (2) A waiver from the payment of real property tax arrears shall only be granted if the owner of the property —
  - (a) submits a written claim, along with such information or documentation as may be reasonably required, to the Chief Valuation Officer for approval to undertake improvements to make a derelict building fit as a place of residence or place of business;
  - (b) obtains the requisite approval from the Chief Valuation Officer which shall include a statement as to the amount of property tax arrears that will be waived upon the improvements being completed; and
  - (c) completes the approved improvements and provides evidence to satisfy the Chief Valuation Officer that the building is fit for use as a place of residence or place of business.
- (3) Where the requirements under this section have been fulfilled, the Chief Valuation Officer may waive the amount of property tax arrears as approved under subsection (2)(c).”.