

CONSULTATION PAPER
ON THE
URBAN RENEWAL
AUTHORITY BILL

Planning, Environment and Lands Bureau

October 1999

PREFACE

This booklet contains a copy of the Urban Renewal Authority Bill which has just been published in the Government Gazette in the form of a White Bill for the purpose of public consultation and a consultation paper which sets out the main points in the Bill.

Comments on the Bill should be submitted in writing on or before 3 December 1999 to:

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CONSULTATION PAPER ON THE URBAN RENEWAL AUTHORITY BILL

INTRODUCTION

In his 1999 Policy Address, the Chief Executive announced that a statutory body, to be known as the Urban Renewal Authority (the Authority), will be established in 2000 to implement the Government's urban renewal strategy for the 21st century. The new Authority will replace the existing Land Development Corporation (the Corporation) and take over all its assets and liabilities, including redevelopment projects in progress. The Government's proposals for the establishment of the new Authority are set out in the Urban Renewal Authority Bill (a copy attached) which has been published in the Government Gazette in the form of a White Bill for public consultation.

BACKGROUND

2. In July 1995, the Government issued a public consultation document on urban renewal which put forward a package of proposals to expedite the process of urban redevelopment and rehabilitation. As a result of the consultation exercise, the Government published a policy statement entitled "Urban Renewal in Hong Kong" in June 1996. Most of the initiatives in the policy statement have now been implemented. The policy statement also proposed the establishment of a new statutory authority to take forward a new urban renewal strategy. The purpose of the Urban Renewal Authority Bill is to provide a legislative framework for the establishment and operation of the

new Authority.

3. The Corporation was set up in 1988 and has been shouldering the arduous task of urban renewal. It has completed a number of redevelopment projects, although not without difficulties. The obstacles include :

- (a) the original assumption that urban renewal could be wholly self-financing in the long run may not be valid in future as a result of the scarcity of sites for profitable redevelopment and a less exuberant property market;
- (b) the need to undertake protracted negotiations with property owners has prolonged the land assembly process and increased the financial burden of the Corporation's projects; and
- (c) as a result of a commitment not to make anyone affected by redevelopment projects homeless, the pace of urban renewal has been limited by the Corporation's shortage of rehousing resources.

4. In the past, private developers had played a significant role in redeveloping low-rise properties, where it was relatively easy to acquire the properties involved and where the development gains made the projects profitable. However, private developers' interest in urban renewal has declined in recent years because of the scarcity of low-rise buildings with redevelopment potential and the lengthy and uncertain process of land assembly. A new approach to urban renewal is needed.

5. The objective of urban renewal is not just to demolish dilapidated buildings and replace them with new ones. The goal is to plan more comprehensively and to improve the overall environment of the older built-up areas.

6. The Government's strategy is to continuously regenerate the fabric of Hong Kong's built-up areas through timely urban renewal. The main objectives of the urban renewal programme are to:

- (a) improve the built environment of Hong Kong and the layout of built-up areas by replacing old and run-down areas with new developments which are properly planned and provided with adequate transport and other infrastructure and community facilities;
- (b) achieve better use of land in the dilapidated built-up areas and under-utilized industrial areas and to make land available to meet various development needs;
- (c) prevent the decay of built-up areas by promoting the maintenance and improvement of individual buildings as regards their structural stability, integrity of external finishes and fire safety as well as the improvement of the physical appearance and conditions of the environs of these buildings;
- (d) preserve buildings of historical, cultural or architectural interest in urban renewal action areas; and

- (e) engage in such other activities so as to promote and facilitate urban renewal.

7. The Authority will implement an urban renewal programme which is based on the urban renewal strategy.

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8. The Urban Renewal Authority Bill has been drafted with the above objectives in mind. It comprises 32 clauses (in eight parts) and one schedule. The main features of the Bill are highlighted in the following paragraphs.

Preliminary (Part I)

9. This Part includes a short title for the Ordinance and a provision for the Secretary for Planning, Environment and Lands (the Secretary) to determine the date for the Ordinance to come into operation (**Clause 1**). **Clause 2** defines certain terms used in the Bill.

Urban Renewal Authority (Part II)

10. The Authority will comprise a Board which will be its governing body and managing board. The Chief Executive will appoint a Chairman, two other executive directors, seven non-executive directors who are non-officials and four non-executive directors who are public officers to the Board (**Clause 4**). In order to enhance the public accountability of the Chairman of the Authority, he will be an executive Chairman, i.e. he is both the Chairman and an executive director. Since the Chairman will take on executive functions, there is no need to appoint a Chief

Executive Officer to run the daily activities of the Authority as the Corporation currently does.

11. The purposes and powers of the Authority are set out in **Clauses 5 and 6**. **Clause 5** sets out the purposes of the Authority which reflects the Government's overall objectives on urban renewal. Compared with those for the Corporation, the purposes of the Authority are more comprehensive and balanced, covering both redevelopment of dilapidated buildings and rehabilitation of buildings not in good repair.

Public Accountability (Part III)

12. The Bill contains provisions aimed at enhancing the public accountability of the Authority as a statutory public body. The directors of the Board of the Authority will be required to declare interests in writing and all such declarations of interest will be recorded. Moreover, a register of declared interests will be set up and made available for public inspection (**Clause 7**).

13. In order to ensure that the public interest is taken into account when the Authority deliberates on matters which may affect the public interest, **Clause 8** has been included to the effect that public officers sitting on the Board of the Authority are duty-bound to point out what the public interest is and how that interest could be affected by the action or activities of the Authority.

Financial Provisions (Part IV)

14. The Government is exploring various financing options for the Authority to implement urban renewal projects. A package of both financial and non-financial tools to enhance the

financial viability of urban renewal projects is being considered. We are studying the extent to which the financial viability of projects would be enhanced if plot ratio controls could be relaxed for the project areas and if the Government/Institution/Community facilities within the project areas could be exempted from the calculation of the gross floor area. We are also exploring the logistics and implications of making loans to finance the Authority's projects, in addition to forgoing land premia for urban renewal sites and packaging redevelopment projects so that financially viable projects can cross-subsidize non-viable projects, with the result that the overall return would be commercially attractive to encourage private sector participation. Our ultimate aim is to develop an arrangement that would be self-financing in the long run.

15. Without prejudice to the eventual financial arrangements, **Clauses 11 and 12**, which empower the Authority to borrow and lend money for purposes related to the implementation of urban renewal projects, have been included in the Bill. The Authority is required to exercise due care and diligence in handling its finances and to be accountable (**Clause 10**).

Planning Procedures (Part V)

16. In order to expedite the urban renewal programme, new planning procedures will be introduced for processing the development proposals of the Authority. The Government will formulate an urban renewal strategy which identifies projects for priority implementation by the Authority. The Authority may also implement uncompleted projects of the Corporation. On the basis of the Government's urban renewal strategy, the Authority will prepare a draft corporate plan setting out its proposed programme

of projects for the next five years (**Clause 18**) and a draft annual business plan setting out the projects to be implemented in the next financial year (**Clause 19**). The Authority is required to submit its draft corporate plan and draft business plan to the Financial Secretary for approval each year.

17. This procedure provides a high degree of flexibility to the Authority in scheduling its programme of projects. The Authority will no longer have to seek the Government's approval on a proposal-by-proposal basis as long as the Authority operates within the parameters and guidelines set out in the Government's urban renewal strategy. The planning procedures also ensure an appropriate level of Government supervision of the Authority. To provide flexibility in planning individual proposals, the Authority will be allowed to make proposals in areas which are not identified in the Government's urban renewal strategy when there are justifications for doing so.

Publication of Project

18. Before implementing a project, the Authority is required to publish in the Government Gazette the commencement date of the project and to exhibit general information about the project for public inspection (**Clause 20**). The project may be implemented either by way of a "development scheme" (**Clause 22**) or a "development project" (**Clause 23**). A development scheme requires amendment to the zoning of the project site on the outline zoning plan, whereas a development project requires no such amendment. The date on which the project is first published will be regarded as the commencement date of the project.

19. The purpose of announcing a commencement date

for a project is to provide a cut-off date for determining ex-gratia payments to affected property owners and tenants and also for determining rehousing eligibility for affected tenants. Immediately after the announcement of the commencement date, the Authority will conduct a freezing survey to determine rehousing eligibility and ex-gratia payments.

20. After the publication of a development project, any person affected by the project may raise objections. Details of the procedure for dealing with objections are set out in **Clause 21** of the Bill.

21. Objections to a development scheme are dealt with by the Town Planning Board under the Town Planning Ordinance.

Resumption and Disposal of Land (Part VI)

22. The time-consuming land assembly process is the main reason why it takes the Corporation such a long time to implement urban renewal projects. Under the existing mechanism, the Corporation is first required to take all reasonable steps to acquire affected properties within the project area. This usually involves protracted negotiations with property owners. If there are any properties which the Corporation is unable to acquire, the Corporation may then request the Secretary to recommend to the Chief Executive in Council the resumption of those properties.

23. In order to expedite the process, instead of requiring the Authority to first negotiate and acquire the land needed for an urban renewal project, the Authority is empowered under the Bill to apply for direct resumption of the land required. The Chief Executive in Council is the authority to approve such resumption

applications (**Clause 24**). Affected property owners will be compensated fairly under the Lands Resumption Ordinance.

24. In the case of a development project, the Authority has to make an application for resumption within 12 months after the project has been authorized by the Secretary. In the case of a development scheme, the Authority has to make an application for resumption within 12 months after the plan for the scheme prepared under the Town Planning Ordinance has been approved by the Chief Executive in Council in accordance with section 9 of that Ordinance (**Clause 24**).

Miscellaneous (Part VII)

25. This Part includes miscellaneous provisions such as those empowering the Secretary to obtain information required from the Authority (**Clause 27**), providing the Chief Executive with the power to give directions to the Authority (**Clause 28**) and setting out the procedures and conditions for the Authority to make any necessary bylaws (**Clause 29**).

Transitional Provisions (Part VIII)

26. This Part includes provisions covering transitional matters. The Corporation will be dissolved immediately upon the establishment of the Authority (**Clause 30**). All the assets and liabilities of the Corporation will be transferred to the Authority, including its properties, documents, accounts and contractual agreements, etc (**Clause 31**). To speed up the implementation of the uncompleted projects of the Corporation, the Authority may apply for direct resumption of properties not yet acquired by the Corporation or the Authority for such projects with proper

justifications provided to the Secretary (**Clause 30**).

COMMENTS SOUGHT

27. The Urban Renewal Authority Bill, if enacted, will replace and repeal the Land Development Corporation Ordinance to provide a legislative framework for the establishment of the new Urban Renewal Authority. It will affect not only the interests of land owners, tenants and developers, but also people from all walks of life.

28. Your comments are invited on the White Bill. The Bill will be finalized in the light of public comments before it is introduced into the Legislative Council.

Planning, Environment and Lands Bureau
Government Secretariat
October 1999

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A BILL

To

Establish the Urban Renewal Authority for the purpose of carrying out urban renewal and for connected purposes.

Enacted by the Legislative Council.

PART I

PRELIMINARY

1. Short title and commencement

(1) This Ordinance may be cited as the Urban Renewal Authority Ordinance.

(2) This Ordinance shall come into operation on a day to be appointed by the Secretary for Planning, Environment and Lands by notice in the Gazette.

2. Interpretation

In this Ordinance, unless the context otherwise requires—

“auditor” (核數師) shall be construed in accordance with section 43 of the Professional Accountants Ordinance (Cap. 50);

“Authority” (市建局) means the Urban Renewal Authority established under section 3;

“building” (建築物) has the same meaning as “building” in section 2(1) of the Buildings Ordinance (Cap. 123);

“business plan” (業務計劃) means a business plan prepared by the Authority and approved by the Financial Secretary under section 19;

“corporate plan” (事務計劃) means a corporate plan prepared by the Authority and approved by the Financial Secretary under section 18;

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- “executive director” (執行董事) means a person who, by virtue of section 4, is a member and an executive director of the Board of the Authority;
- “financial year” (財政年度) means the period commencing on 1 April each year and ending on 31 March the year after;
- “land” (土地) means land, whether covered by water or not, of whatever description and includes a building erected thereon and where an undivided share of a leasehold interest in land has appurtenant to it rights to the exclusive use and occupation of a building or part thereof erected thereon, includes such share in the land and all rights appurtenant thereto, and any estate, right, share or interest in land;
- “Land Development Corporation” (土發公司) means the Land Development Corporation established by section 3(1) of the repealed Ordinance;
- “non-executive director” (非執行董事) means a person who, by virtue of section 4, is a member of the Board of the Authority who is not an executive director;
- “project” (項目) means a development scheme or a development project set out in a business plan and approved by the Financial Secretary for implementation under section 19;
- “proposal” (提案) means a proposal for a project;
- “repealed Ordinance” (已廢除條例) means the Land Development Corporation Ordinance (Cap. 15) repealed under section 30;
- “Secretary” (局長) means the Secretary for Planning, Environment and Lands;
- “Town Planning Board” (城規會) means the Town Planning Board appointed under section 2 of the Town Planning Ordinance (Cap. 131).

PART II

URBAN RENEWAL AUTHORITY

3. Establishment of Authority

(1) There shall be established a body corporate to be named the Urban Renewal Authority which shall have such powers and duties as are conferred and imposed on it by, or by virtue of, this Ordinance.

(2) The Authority shall have perpetual succession and a common seal and shall in its own name be capable of suing and of being sued.

(3) The Authority shall not be regarded as a servant or agent of the Government or as enjoying any status, immunity or privilege of the Government.

(4) Part VII of the Interpretation and General Clauses Ordinance (Cap. 1) shall apply to the Authority and appointments to the Authority except where the context of this Ordinance otherwise requires.

4. Establishment of Board of Authority

(1) There shall be established a Board to be named the Board of the Urban Renewal Authority comprised of the following members—

- (a) a Chairman, who is at the same time an executive director and is not a public officer;
- (b) 2 other executive directors, not being public officers;
- (c) 7 non-executive directors, not being public officers; and
- (d) 4 non-executive directors who are public officers.

(2) All members of the Board of the Authority, including the Chairman, shall be appointed by the Chief Executive for a term not exceeding 3 years.

(3) The Chief Executive may appoint an executive director to be the Deputy Chairman of the Board of the Authority for a term not exceeding 3 years.

(4) The Board of the Authority shall be the governing and executive body of the Authority and as such shall, in the name of the Authority, exercise and perform the powers and duties as are conferred and imposed on it by, or by virtue of, this Ordinance.

(5) A member of the Board of the Authority who is appointed as an executive director shall be responsible to the Board of the Authority for the day to day management and administration of the affairs of the Authority and all matters relating to that responsibility shall be determined by the Chief Executive.

(6) The Schedule shall have effect with respect to the Board of the Authority and its members.

5. Purposes of Authority

The purposes of the Authority are to—

- (a) replace the Land Development Corporation as the body corporate established by statute having the responsibility of improving the standard of housing and the built environment of Hong Kong by undertaking, encouraging, promoting and facilitating urban renewal;
- (b) improve the standard of housing and the built environment of Hong Kong and the layout of built-up areas by replacing old and run-down areas with new development which is properly planned and, where appropriate, provided with adequate transport and other infrastructure and community facilities;
- (c) achieve better utilization of land in the dilapidated areas of the built environment of Hong Kong and to make land available to meet various development needs;

- (d) avoid the decay of the built environment of Hong Kong by promoting the maintenance and improvement of individual buildings as regards their structural stability, integrity of external finishes and fire safety as well as the improvement of the physical appearance and conditions of that built environment; and
- (e) engage in such other activities, and to perform such other duties, as the Chief Executive may, after consultation with the Authority, permit or assign to it by order published in the Gazette.

6. General power of Authority

(1) The Authority shall have power to do anything which is expedient for or conducive or incidental to the attainment of the purposes declared in or permitted or assigned under section 5 and shall exercise that power so as to improve the standard of housing and the built environment of Hong Kong by way of development.

(2) Without prejudice to the generality of subsection (1), the Authority shall have power to and may—

- (a) enter into contracts, including employment contracts, or other agreements with any person;
- (b) deal with all matters related to the transfer of assets and liabilities from the Land Development Corporation to the Authority;
- (c) request and receive information from the Land Development Corporation as to its assets, liabilities and operations;
- (d) recruit staff for the Authority, including determining the remuneration and the terms and conditions of employment;
- (e) carry out any activity as may be necessary for the establishment of the Authority;
- (f) prepare draft corporate plans and draft business plans for the operation of the Authority;
- (g) lease, purchase or otherwise acquire and hold land of any description in Hong Kong for the purpose of either undertaking development, providing accommodation for the Authority, or for providing residential accommodation for persons displaced by the carrying out of the purposes of the Authority;
- (h) implement projects by way of—
 - (i) a development scheme under section 22;
 - (ii) a development project under section 23;
 - (iii) the continuation and completion of a development proposal under section 30(4);

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- (iv) the continuation and completion of a development scheme under section 30(7);
- (i) alter, construct, demolish, maintain or repair any building, premises or structure ancillary thereto;
 - (j) provide and where appropriate alter, maintain or repair roads, footways, parks, recreational facilities and similar open spaces, bridges, drains, sewers and water courses other than those the maintenance of which the Government or other public body has undertaken or decides to undertake;
 - (k) manage any building, premises or structure which it has leased, purchased acquired or otherwise owns or holds and any common parts thereof including any land ancillary thereto, having regard to the interests, welfare and comfort of the tenants, owners or occupiers thereof and may charge fees for its services in connection with such management;
 - (l) manage any roads, footways, parks, car parks, parking spaces, recreational facilities and similar open spaces, bridges, drains, sewers and water courses and other transport and recreational facilities owned or held by the Authority and may charge fees for the provision of such services;
 - (m) set aside as use for car parks any land held by the Authority, designate parking spaces, control the use of car parks and parking spaces and may allocate any place in a car park or parking place for the use of vehicles of any description or any particular type or class or for the use of any person or persons or any particular class;
 - (n) provide fixtures, fittings or furniture in buildings acquired by or under the control of the Authority and may let, lend, hire or otherwise dispose of such fixtures, fittings or furniture on such terms and conditions as to payment or otherwise as the Authority thinks fit;
 - (o) grant, sell, convey, assign, surrender, yield up, demise, let, transfer or otherwise dispose of any land or building, messuages, tenements, vessels, goods and chattels for the time being owned or held by the Authority on such terms and conditions as the Authority thinks fit;
 - (p) enter into agreements with any person for the management by such person of any land owned or held by the Authority;
 - (q) conduct any survey and census as it thinks fit for the purpose of drawing up any plans and for the purposes of ascertaining a rehousing commitment resulting from any project of the Authority;

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- (r) surrender any lease or apply for and agree to the modification of lease conditions or enter into any exchange;
- (s) undertake and execute any trust which has for its object the furtherance of urban renewal or any other object similar or incidental to any of the purposes of the Authority;
- (t) accept gifts and donations, whether of property or otherwise and whether subject to any trust or not;
- (u) appoint such employees as it may determine on such terms and conditions as the Authority thinks fit including the payment of allowances, benefits and remuneration;
- (v) make or provide ex gratia payments to any employee, or to the personal representative of a deceased employee or to any other person who was dependent on such employee at his death;
- (w) establish any body corporate for the purpose of doing all such things which the Authority may do and may vest in any such body corporate so established such objects and powers as in the opinion of the Authority are calculated to facilitate the attainment of the purposes of the Authority under this Ordinance;
- (x) exercise any of its powers either alone or in association with any other person or persons.

PART III

PUBLIC ACCOUNTABILITY

7. Members to declare interests

(1) As soon as is practicable after appointment to membership or as and when the occasion may thereafter require, a member of the Board of the Authority, including the Chairman and the Deputy Chairman, if any, shall declare to the Authority in such manner as is for the time being determined by the Authority, whether by standing orders or otherwise, any interest of his which is of a class or description so determined.

(2) The Authority shall establish and maintain a register ("the register") for the purposes of this section.

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(3) Where a member of the Board of the Authority makes a declaration required under subsection (1), the Authority shall cause the name of the member to be entered in the register together with the particulars contained in the declaration, and if, in accordance with such a requirement, a member subsequently makes any such declaration, the particulars already so entered shall be added to or otherwise amended in such manner as the Authority considers appropriate.

(4) The Authority shall make the register available for public inspection at its principal office at any reasonable time.

(5) A member of the Board of the Authority, including the Chairman and the Deputy Chairman, if any, who is in any way directly or indirectly interested in a contract made or proposed to be made by the Authority, or in any other matter whatsoever which is to be considered, decided or determined by the Board, shall comply with the following requirements—

- (a) he shall, if present, disclose to the relevant meeting of the Board the nature of his interest and such disclosure shall be recorded in the minutes of the meeting;
- (b) he shall withdraw from the meeting while the matter is being discussed or considered unless—
 - (i) if he is not the person presiding at such meeting of the Board, he is permitted to take part in such discussion or consideration by the person so presiding; or
 - (ii) if he is the person so presiding, the majority of the other members present at the meeting decide so to permit him;
- (c) he shall not vote or otherwise act as a member of the Board in relation to the matter unless so permitted; and
- (d) he shall neither influence nor seek to influence a decision of the Board as regards the matter otherwise than with the Chairman's prior approval or in accordance with paragraph (b).

(6) Where a disclosure is made under subsection (5) and the person concerned is neither required to withdraw from the relevant meeting nor permitted to vote, then for so long as the matter to which the disclosure relates is being discussed or otherwise considered at such meeting, the presence of the person by whom the disclosure was made shall be disregarded for the purposes of forming a quorum for the meeting.

(7) The validity of any proceedings of the Authority shall not be affected by the failure by a member of the Board of the Authority to comply with this section.

(8) A member of the Board of the Authority need not attend in person at the meeting of the Authority in order to make a disclosure which he is required to make under subsection (5) if he takes reasonable steps to secure that the disclosure is made by a notice in writing which is brought up and read at the meeting.

8. Duty of public officers to state public interest

Where at a meeting of the Board a member who is a public officer and is present considers that any matter whatsoever which is to be or is being considered, decided or determined by the Authority, is or could be contrary to, or otherwise raises or puts in issue, or could so raise or put in issue, the public interest as perceived by him, the following shall apply—

- (a) he shall state to the meeting his opinion regarding the relation between the public interest, as so perceived, and the matter, and, where appropriate, he shall also state how, in his opinion, an actual or potential conflict with that interest, as so perceived, arises or could arise; and
- (b) unless he has made a declaration or disclosure under section 7(1) or (5) which is relevant to the matter, section 7(5)(b), (c) and (d) shall not apply as regards the matter.

9. Answer to Legislative Council

The Legislative Council and its committees and subcommittees may request the Chairman and the executive directors to attend its meetings and they shall comply. The Chairman and the executive directors shall answer questions raised by the Members of the Legislative Council at the meetings.

PART IV

FINANCIAL PROVISIONS

10. Resources of Authority

(1) The resources of the Authority shall consist of—

- (a) all money paid by the Government to the Authority and appropriated for that purpose by the Legislative Council;
- (b) all other money and property, including fees, rent, interest and accumulations of income received by the Authority for its purposes.

(2) All money paid to or received by the Authority shall be deposited with banks licensed by the Hong Kong Monetary Authority.

(3) The Secretary for the Treasury may give directions in writing of a general or specific character to the Authority in relation to the amount of money which may be expended by the Authority in any financial year and the Authority shall comply with those directions.

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(4) The Authority shall exercise due care and diligence in the handling of its finances.

11. Borrowing powers

(1) The Authority may borrow from the Government, such money as may be required for the performance of the duties of the Authority under this Ordinance, on such terms and conditions as may be approved by the Financial Secretary.

(2) Subject to subsection (3), the Authority may borrow by way of overdraft from sources other than the Government such money as it may require for meeting its obligations or performing its duties under this Ordinance.

(3) The Secretary for the Treasury may give directions in writing of a general or specific character to the Authority in relation to the amount of money which may be borrowed under subsection (2) and the Authority shall comply with those directions.

(4) The Authority may with the approval of the Financial Secretary borrow, otherwise than by way of overdraft from sources other than the Government, such money as it may require for meeting its obligations or performing its duties under this Ordinance.

(5) A person lending money to the Authority shall not be concerned to inquire whether the borrowing of the money by the Authority is legal or regular or whether the money lent has been properly applied by the Authority and shall not be prejudiced by any illegality or irregularity or by misapplication or non-application by the Authority of the money.

(6) The Authority may with the approval of the Financial Secretary charge all or any part of its property as security for the repayment of money borrowed.

12. Power to lend money

(1) The Authority may lend money on such terms and conditions as the Authority thinks fit to any person or persons for the purposes of implementing a project of the Authority.

(2) The Secretary for the Treasury may give directions in writing of a general or specific character to the Authority in relation to the amount of money which may be lent under subsection (1) and the Authority shall comply with those directions.

13. Guarantee by Government

(1) The Legislative Council may from time to time by resolution authorize the Financial Secretary on behalf of the Government to grant guarantees in respect of—

- (a) the repayment of loans made to, or the discharge of other indebtedness of, the Authority and the payment of interest, premium or other charge thereon; and
- (b) the redemption or repayment of, and the payment of interest, premium or other charge on, any bonds, notes or other securities issued by the Authority,

up to an amount not exceeding in total that specified in the resolution and subject to any terms or conditions specified therein.

(2) A guarantee granted under subsection (1) which includes interest, amount payable in consequence of the operation of any price variation clause, premium or other charge, shall not be invalid by reason only of the fact that such interest, amount, premium or charge, although specified in the resolution authorizing the granting of the guarantee, is not quantified as to total amount or included in the amount quantified in such resolution.

(3) Any sum required for fulfilling a guarantee granted under subsection (1) by the Government shall be charged on and paid out of the general revenue and any sum received by the Government by way of repayment of a sum so paid out, or for interest thereon, shall be paid into the general revenue.

(4) If, pursuant to a guarantee granted under subsection (1), the Government makes a payment to a creditor of the Authority in respect of a debt secured by a mortgage or a specific or floating charge, such sum shall be repayable to the Government by the Authority, together with interest thereon at such rate as the Financial Secretary may determine, and the Government shall as from the time of payment have the benefit of all the remedies vested in the creditor by virtue of such mortgage or charge with liberty to exercise the rights and powers arising thereunder in its own name and without any assignment by the creditor.

14. Use of surplus funds

(1) The Authority may invest money that in any financial year is not immediately required to be expended in such forms of investment as the Financial Secretary may approve.

(2) If in any financial year there is an excess of revenue of the Authority over the total sum required by it to be expended—

- (a) to meet the total outgoings of the Authority properly chargeable to revenue; and
- (b) to enable the Authority to—

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- (i) make such allocations to reserve as it may reasonably consider adequate;
- (ii) pay any money owing by it, whether or not payment is legally due at the time,

the Financial Secretary may, after consultation with the Authority, give the Authority directions requiring it to pay the whole or part of the excess to the Government and the Authority shall comply with those directions.

(3) Subject to any directions given under subsection (2), the Authority may deal with any such excess as is mentioned in that subsection—

- (a) by applying it for such of the purposes of the Authority as the Authority may determine; or
- (b) by allocating it to reserve, whether generally or for a particular purpose,

or partly in one of those ways and partly in another.

(4) Any sum received by the Government under subsection (2) shall be paid into the general revenue.

15. Debt of Authority

(1) The Authority shall be indebted to the Government in a sum equal to—

- (a) all money received by the Authority under section 10(1)(a);
- (b) all expenditure directly or indirectly incurred by the Government for the benefit of the Authority.

(2) The Financial Secretary shall determine the amount of such indebtedness and any interest thereon by certificate under his hand and may for sufficient cause reduce or increase any amount so certified.

(3) The indebtedness of the Authority under subsections (1) and (2) and any interest thereon shall be discharged in such manner as the Financial Secretary directs.

16. Accounts, audit and annual report

(1) The Authority shall keep proper accounts and proper records in relation to the accounts.

(2) The Authority shall, as soon as is practicable and in any case not later than 3 months after the expiry of a financial year, prepare a statement of the accounts of the Authority, which statement shall include an income and expenditure account and a balance sheet.

(3) The Authority shall appoint an auditor who shall, as soon as is practicable, audit the accounts required under subsection (2) and shall submit a report on the accounts to the Authority.

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(4) The Authority shall, as soon as is practicable and in any case not later than 6 months after the expiry of a financial year, furnish—

- (a) a report on the affairs of the Authority for that year;
 - (b) a copy of its accounts thereof; and
 - (c) the auditor's report on the accounts,
- to the Financial Secretary who shall cause the same to be tabled in the Legislative Council.

17. Exemption from taxation

The Authority shall be exempt from taxation under the Inland Revenue Ordinance (Cap. 112).

PART V

PLANNING PROCEDURES

18. Corporate plan

(1) The Authority shall not later than 2 months before the end of each financial year submit to the Financial Secretary for approval a draft corporate plan for a period of 5 years beginning on the first day of the next financial year covering in relation to that period—

- (a) its programme of proposals to be implemented including commencement dates of implementation, and for each proposal, whether it is to be implemented by way of a development scheme under section 22 or by way of a development project under section 23;
- (b) its programme of implementation for projects of the description mentioned in section 6(2)(h)(iii) and (iv), including commencement dates and for each project, whether it is to be implemented by way of a development scheme under section 13(1) of the repealed Ordinance or by way of a development proposal under section 5(2)(b) of the repealed Ordinance;
- (c) its financial plan to achieve the programme mentioned in paragraph (a), including—
 - (i) the projected income and expenditure for—
 - (A) the projects that have already commenced;
 - (B) the proposals to be commenced during that period;
 - (C) the projects of the description mentioned in section 6(2)(h)(iii) and (iv) that have already commenced;

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(D) the projects of the description mentioned in section 6(2)(h)(iii) and (iv) to be commenced during that period;

(ii) the amount of any money required to be borrowed from the Government or from sources other than the Government for financing the implementation of the proposals and projects that have already commenced or are to be commenced before the end of the financial year and the repayment schedule for any such loan; and

(iii) the staffing requirements of the Authority to implement such programme.

(2) The Authority shall submit its first draft corporate plan to the Financial Secretary for approval as soon as is practicable after the Authority is established.

(3) The Authority shall as far as is practicable include the proposals and projects of the description mentioned in section 6(2)(h)(iii) and (iv) and follow any guidelines set out in an urban renewal strategy prepared from time to time by the Secretary when preparing the programme of proposals and projects in the draft corporate plan. The Authority may suggest any other proposal it thinks fit for inclusion into the draft corporate plan.

(4) Upon submission of a draft corporate plan the Financial Secretary may—

- (a) approve it; or
- (b) refuse to approve it.

19. Business plan

(1) At the same time as the submission of the draft corporate plan mentioned in section 18(1), the Authority shall submit to the Financial Secretary for approval a draft business plan for the next financial year covering in relation to that financial year—

- (a) its programme of proposals to be implemented including commencement dates of implementation, and for each proposal, whether it is to be implemented by way of a development scheme under section 22 or by way of a development project under section 23;
- (b) its programme of implementation for projects of the description mentioned in section 6(2)(h)(iii) and (iv), including commencement dates and for each project, whether it is to be implemented by way of a development scheme under section 13(1) of the repealed Ordinance or by way of a development proposal under section 5(2)(b) of the repealed Ordinance;

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- (c) the resources required to implement—
 - (i) the projects that have already commenced;
 - (ii) the proposals to be commenced in the next financial year;
 - (iii) the projects of the description mentioned in section 6(2)(h)(iii) and (iv) that have already commenced;
 - (iv) the projects of the description mentioned in section 6(2)(h)(iii) and (iv) to be commenced in the next financial year;
 - (d) the estimated revenue and expenditure of the Authority;
 - (e) the amount of any money required to be borrowed from the Government or from sources other than the Government for financing the implementation of the proposals and projects that have already commenced or are to be commenced before the end of the financial year and the repayment schedule for any such loan; and
 - (f) an estimate of the number of residential accommodations that need to be made available to receive persons who will be displaced by the proposals and projects.
- (2) The Authority shall submit its first draft business plan to the Financial Secretary for approval as soon as is practicable after the Authority is established.
- (3) The Authority shall not implement any proposal not included in or covered by the corporate plan or the business plan, whether it is to be implemented by way of a development scheme under section 22 or by way of a development project under section 23, except with the prior approval of the Financial Secretary.
- (4) The Authority shall not implement any project of the description mentioned in section 6(2)(h)(iii) and (iv) not included in or covered by the corporate plan or the business plan, whether it is to be implemented by way of a development scheme under section 13(1) of the repealed Ordinance or by way of a development proposal under section 5(2)(b) of the repealed Ordinance, except with the prior approval of the Financial Secretary.
- (5) Upon submission of a draft business plan the Financial Secretary may—
- (a) approve it; or
 - (b) refuse to approve it.

20. Publication of project

- (1) For the purpose of the implementation of a project, the Authority shall publish in each issue of the Gazette within the space of a period of 1 month ("the publication period"), and once a week during the publication period in a Chinese language and an English language local newspaper, notice

of the commencement date of the implementation of the project, together with a summary of the information mentioned in subsection (3)(a) and (b) and the times and places where information on the project shall be exhibited and be available for public inspection.

(2) The commencement date of the implementation of the project shall be the same date on which the project is first published in the Gazette.

(3) The Authority shall exhibit for public inspection the following information related to the project—

- (a) a description of the general nature and effects of the project;
- (b) whether the project shall be implemented by way of a development scheme under section 22 or by way of a development project under section 23; and
- (c) a plan delineating the boundaries of the project.

(4) Without prejudice to the Lands Resumption Ordinance (Cap. 124), the Authority may make reference to the commencement date of the implementation of the project notified in the Gazette for determining, in accordance with the Authority's policies as published from time to time, the eligibility of any person to receive compensation, payments or other benefits including the provision of alternative residential accommodation where necessary as a result of the Authority's implementation of the project.

21. Objections to projects to be implemented by way of development project

(1) Any person who considers that he will be affected by a project to be implemented by way of a development project under section 23 in relation to a notice published under section 20(1) and who wishes to object to the implementation of the development project may, within the publication period, send to the Authority a written statement of his objections to the project.

(2) Such written statement shall set out—

- (a) the nature and reasons for the objection;
- (b) if the objection would be removed by an alteration of the boundaries of the development project delineated on the plan, any alteration proposed.

(3) The Authority shall consider all objections and shall, not later than 3 months after the expiration of the publication period, submit the development project, the Authority's deliberations on the objections, and any objections which are not withdrawn to the Secretary for his consideration.

(4) The Secretary shall consider the development project and any objections which are not withdrawn and determine whether to authorize the Authority to proceed with the project with or without amendments, or whether to decline to authorize the project.

22. Development schemes

(1) The Authority may, in accordance with this section, implement a project by way of a development scheme.

(2) No objection shall be entertained or considered in respect of a project which is to be implemented by way of a development scheme under this section and the objection procedures set out in section 21 shall not be applicable in respect of any such project or in respect of the implementation of that project by way of a development scheme.

(3) A development scheme shall contain such matters as the Authority considers relevant and shall—

(a) comprise a plan which may contain any thing that a draft plan may contain under section 3 or 4 of the Town Planning Ordinance (Cap. 131);

(b) set out how the Authority intends that the development scheme will be implemented, including whether implementation will be by the Authority alone or the Authority in association with another person and in relation to land within the boundaries of the development scheme, what portion of the land is owned or leased by the Authority and what arrangements have been made or are contemplated by the Authority for the acquisition of any land not so owned or leased;

(c) contain an assessment by the Authority as to the likely effect of the implementation of the development scheme including, in relation to the residential accommodation of persons who will be displaced by the implementation of the development scheme, an assessment as to whether or not, insofar as suitable residential accommodation for such persons does not already exist, arrangements can be made for the provision of such residential accommodation in advance of any such displacement which will result as the development scheme is implemented.

(4) Without affecting the generality of subsection (3)(a), a plan prepared under that subsection may provide for the grant of permission under section 16 of the Town Planning Ordinance (Cap. 131), for all purposes or for any purpose, and may prohibit any development not compatible with any development scheme prepared under that subsection.

(5) The Authority may submit any plan prepared under subsection (3)(a) to the Town Planning Board for approval.

(6) Upon submission of a plan the Town Planning Board may—

(a) approve it; or

(b) refuse to approve it.

(7) A plan approved by the Town Planning Board under subsection (6) shall be deemed to be a draft plan prepared by the Town Planning Board for the purposes of the Town Planning Ordinance (Cap. 131) and the provisions of that Ordinance shall apply accordingly.

(8) Where under section 5 of the Town Planning Ordinance (Cap. 131) a plan which is deemed to be a draft plan by virtue of subsection (7) is exhibited, such plan shall, from the date that the exhibition of the plan is first notified in the Gazette, replace or amend according to its tenor, any draft or approved plan under that Ordinance relating to the area delineated and described therein.

(9) Where under section 9 of the Town Planning Ordinance (Cap. 131) the Chief Executive in Council refuses to approve a plan which is deemed to be a draft plan by virtue of subsection (7), such refusal shall be notified in the Gazette and shall revive any draft or approved plan under that Ordinance which, under subsection (8), was replaced or amended thereby.

**23. Development projects to accord with
Town Planning Ordinance**

(1) Subject to subsection (2), the Authority may implement a project by way of a development project.

(2) In implementing a project as a development project, the Authority shall ensure that the project is a project that may be lawfully implemented by virtue of any draft or approved plan for the purposes of the Town Planning Ordinance (Cap. 131) and, in the case where by virtue of such plan, permission under section 16 of that Ordinance is required for that implementation, the permission required has been obtained.

PART VI

RESUMPTION AND DISPOSAL OF LAND

24. Power of Secretary to recommend resumption

(1) The Authority may apply in writing to the Secretary requesting him to recommend to the Chief Executive in Council the resumption, under the Lands Resumption Ordinance (Cap. 124)—

(a) in relation to a development scheme contained in a corporate plan and a business plan or approved by the Financial Secretary under section 19, of any land within the area of a plan which is deemed to be a draft plan by virtue of section 22(7), after the

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approval of such plan by the Chief Executive in Council under section 9 of the Town Planning Ordinance (Cap. 131); or

- (b) in relation to a development project contained in a corporate plan and a business plan or approved by the Financial Secretary under section 19, of any land that the Authority requires to implement such development project, after the authorization of such development project by the Secretary under section 21(4).

(2) The Secretary shall not make a recommendation under subsection (1) unless—

- (a) in the case of a development scheme, application is made to him not later than 12 months after the approval by the Chief Executive in Council under section 9 of the Town Planning Ordinance (Cap. 131) of the plan prepared under section 22(3)(a);
- (b) in the case of a development project, application is made to him not later than 12 months after the authorization by the Secretary under section 21(4) for the project to proceed.

(3) The Authority shall set out in the application under subsection (1) the following information for consideration of the Secretary—

- (a) whether the Authority will implement the development scheme or development project on its own, in association with any other person or persons, or sell the land so resumed to any other person or persons;
- (b) for a development scheme, an assessment by the Authority as to the likely effect of the implementation of the development scheme including, in relation to the residential accommodation of persons who will be displaced by the implementation of the development scheme, an assessment as to whether or not, insofar as suitable residential accommodation for such persons does not already exist, arrangements can be made for the provision of such residential accommodation in advance of any such displacement which will result as the development scheme is implemented;
- (c) for a development project, an assessment by the Authority as to the likely effect of the implementation of the development project including, in relation to the residential accommodation of persons who will be displaced by the implementation of the development project, an assessment as to whether or not, insofar as suitable residential accommodation for such persons does not already exist, arrangements can be made for the provision of such residential accommodation in advance of any such displacement which will result as the development project is implemented.

(4) A resumption in pursuance of a recommendation by the Secretary under this section shall be deemed to be a resumption for a public purpose within the meaning of the Lands Resumption Ordinance (Cap. 124).

**25. Disposal of land resumed under
Lands Resumption Ordinance**

(1) The Authority shall not sell or dispose of land it has assembled for a development scheme or a development project which includes land resumed under the Lands Resumption Ordinance (Cap. 124) unless prior approval for such sale or disposal has been granted by the Chief Executive in Council.

(2) The Chief Executive in Council shall have the power to determine whether the Authority may sell or dispose of the entire area or only part of the area of the development scheme or the development project.

26. Power to enter and inspect

(1) The Secretary or any person authorized by him in writing may enter and inspect any building, structure or part thereof situated within the boundaries of a development scheme or a development project for the purposes set out in sections 22(3)(c) and 24(3)(b) and (c).

(2) The Secretary may delegate to the Authority the powers to enter and inspect as provided under subsection (1).

(3) Where the Secretary or any person authorized by him in writing or the Authority under delegated authority is unable to effect an entry into the building, structure or part thereof under subsection (1), he may serve on the owner and occupier a notice in writing requiring permission to so enter and inspect and after the expiry of 48 hours from the service of the notice may, at any reasonable time during daylight, enter, using such force as is necessary therefor, and inspect such building, structure or part thereof and take such particulars as he thinks fit.

(4) Any person who obstructs the Secretary or any person authorized by him in writing or the Authority under delegated authority from entering or inspecting any building, structure or part thereof under subsections (1) and (2) commits an offence and is liable—

(a) on first conviction to a fine of \$2,000;

(b) on second or subsequent conviction to a fine of \$10,000.

(5) A notice under subsection (3) may be served by serving a copy—

(a) personally;

(b) by registered post addressed to the last known place of business or residence of the person to be served; or

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- (c) by leaving the same with an adult occupier of the building, structure or part thereof to which the notice relates or by posting the notice upon a conspicuous part of such building, structure or part thereof.

PART VII

MISCELLANEOUS

27. Secretary may obtain information

The Authority shall upon request by the Secretary afford to him sufficient facilities for obtaining information with respect to the property and affairs of the Authority and shall, in such manner and at such times as the Secretary may require, furnish him with returns, accounts and other information with respect thereto and afford to him facilities for the verification of information furnished.

28. Chief Executive may give directions

The Chief Executive may, if he considers the public interest so requires, give directions in writing to the Authority in relation to the exercise of its powers or the performance of its duties and the Authority shall comply with those directions.

29. Authority may make bylaws

(1) The Authority may make bylaws regulating the conduct of persons within any—

- (a) building, premises or structure which it has leased, purchased, acquired or otherwise owns or holds and any common parts thereof;
- (b) roads, footways, parks, car parks, parking spaces, recreational facilities and similar open spaces, bridges, drains, sewers and water courses and other transport and recreational facilities owned or held by the Authority.

(2) The following provisions shall apply in relation to bylaws made by the Authority under subsection (1)—

- (a) any bylaw so made may provide that a contravention of specified provisions thereof shall be an offence and may prescribe penalties therefor not exceeding a fine of \$2,000;

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- (b) without prejudice to any Ordinance relating to the prosecution of criminal offences or to the powers of the Secretary for Justice in relation to the prosecution of criminal offences, prosecutions under any bylaw so made may be brought in the name of the Authority;
- (c) all bylaws so made shall be subject to the approval of the Legislative Council;
- (d) the Authority shall cause to be printed copies of all bylaws so made which shall be kept at its principal office and be available for sale to any person at a reasonable cost.

PART VIII

TRANSITIONAL PROVISIONS

30. Repeal of Land Development Corporation Ordinance

(1) On the date when Parts II to VIII come into operation, the Land Development Corporation Ordinance (Cap. 15) shall be repealed and the Land Development Corporation shall be dissolved.

(2) With effect from the date mentioned in subsection (1), any lease, tenancy, permit or licence granted to the Land Development Corporation under the repealed Ordinance and in force immediately before the commencement of Parts II to VIII shall, on the date when Parts II to VIII come into operation, continue to be in force and have effect upon the same terms, covenants and conditions as if that lease, tenancy, permit or licence, as the case may be, were granted to the Authority.

(3) With effect from the date mentioned in subsection (1), any document referring to the repealed Ordinance shall, so far as may be necessary for preserving its effect, be construed as referring to or as including a reference to this Ordinance.

(4) Subject to subsections (5) and (6), where at the date of commencement of Parts II to VIII, a development proposal has been prepared in accordance with section 5(2)(b) of the repealed Ordinance, the development proposal may be continued and completed by the Authority as if the repealed Ordinance had not been repealed and the powers and duties of the Land Development Corporation shall be exercised and performed by the Authority.

(5) Upon the request in writing of the Authority to the Secretary in that behalf, the Secretary may treat section 15(4)(c) and (5) of the repealed Ordinance as having no application to a resumption in pursuance of a development proposal of the description mentioned in subsection (4), and the

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circumstances specified in section 15(2)(b) of the repealed Ordinance may be construed as being such that the land in respect of which the recommendation for resumption is made is required by the Land Development Corporation to implement such development proposal authorized under section 5(2)(b) of the repealed Ordinance.

(6) The Secretary may request the Authority to furnish him with such information as he considers necessary to justify a request made under subsection (5).

(7) Subject to subsections (8) and (9), where at the date of commencement of Parts II to VIII, a development scheme has been prepared in accordance with section 13(1) of the repealed Ordinance, the development scheme may be continued and completed by the Authority as if the repealed Ordinance had not been repealed and the powers and duties of the Land Development Corporation shall be exercised and performed by the Authority.

(8) Upon the request in writing of the Authority to the Secretary in that behalf, the Secretary may treat section 15(3)(b) and (5) of the repealed Ordinance as having no application to a resumption in pursuance of a development scheme of the description mentioned in subsection (7), and the circumstances specified in section 15(2)(a) of the repealed Ordinance may be construed as being such that the land in respect of which the recommendation for resumption is made is within the area of a plan which is deemed to be a draft plan by virtue of section 14(3) of the repealed Ordinance.

(9) The Secretary may request the Authority to furnish him with such information as he considers necessary to justify a request made under subsection (8).

31. Transfer of properties, assets, contracts, etc.

(1) All immovable property owned by the Land Development Corporation at the date of commencement of Parts II to VIII shall, at that date, be owned by the Authority by virtue of this Ordinance for the residue of the term of years created by the respective Government leases, subject to the covenants, conditions, stipulations, exceptions, reservations, provisos and powers contained in and reserved by those respective Government leases.

(2) All permissions and approvals obtained by the Land Development Corporation from the Town Planning Board, the Secretary, the Financial Secretary, or the Chief Executive in Council which were in force immediately before the commencement of Parts II to VIII shall, on the commencement of Parts II to VIII, be transferred to the Authority on the same terms and conditions.

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(3) Any movable property, right and privilege vested in the Land Development Corporation shall, on the commencement of Parts II to VIII, be vested in the Authority on the same terms and conditions, and the Authority shall be subject to the same obligations and liabilities to which the Land Development Corporation was subject at the date of commencement of Parts II to VIII.

(4) At the date of commencement of Parts II to VIII, all books, papers, documents, minutes, equipment, receipts and accounts relating to the Land Development Corporation and to its operation under the repealed Ordinance shall be delivered to the Authority.

(5) Every contract entered into by the Land Development Corporation which was in force immediately before the commencement of Parts II to VIII shall, as from that date, have effect as if the Authority is substituted for the Land Development Corporation, and the contract may be enforced by or against the Authority.

(6) The legal claims including present, future, actual and contingent claims by or against the Land Development Corporation and judicial proceedings instituted by or against the Land Development Corporation that existed immediately before the commencement of Parts II to VIII, do not abate by reason only of the fact of the repeal of the Land Development Corporation Ordinance (Cap. 15), and the Authority is substituted for the Land Development Corporation in any proceedings pending before any court or tribunal.

(7) The property of the Land Development Corporation owned by it immediately before the commencement of Parts II to VIII is transferred to and is owned by the Authority subject to any existing claim or liability, and the Authority may sue on, recover or enforce a chose in action transferred by this subsection without having to give notice of the transfer to a person bound by the chose in action, and without limitation it is provided that the insurance policies and any benefit of trade marks, copyright and other intellectual property rights held by the Land Development Corporation are transferred to the Authority.

32. Consequential amendments

(1) Part I of the Schedule to the Loan Fund (Cap. 2 sub. leg.) is amended by repealing paragraph 1(k).

(2) Schedule 1 to the Prevention of Bribery Ordinance (Cap. 201) is amended by repealing item 51 and substituting—

“51. Urban Renewal Authority.”.

(3) Part IVA of the Schedule to the Protection of Investors Ordinance (Cap. 335) is amended by repealing item 8 and substituting—

“8. Urban Renewal Authority.”.

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(4) Part I of Schedule 1 to The Ombudsman Ordinance (Cap. 397) is amended by repealing "Land Development Corporation" and substituting—"Urban Renewal Authority".

SCHEDULE

[s. 4]

PROVISIONS WITH RESPECT TO BOARD OF AUTHORITY AND ITS MEMBERS

1. Terms and conditions of appointment and dismissal

- (1) The Chief Executive shall determine the terms and conditions of appointment of—
- (a) the Chairman;
 - (b) the Deputy Chairman, if any; and
 - (c) the executive directors;

of the Authority.

(2) A non-executive director not being a public officer shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for reappointment.

(3) A non-executive director not being a public officer may at any time resign his office by notice in writing to the Chief Executive.

(4) A public officer appointed as a non-executive director shall hold office at the discretion of the Chief Executive.

(5) If the Chief Executive is satisfied that a member of the Board of the Authority appointed under section 4 of this Ordinance—

- (a) has been absent from 3 consecutive meetings of the Authority without the permission of the Authority;
- (b) has become bankrupt or made an arrangement with his creditors;
- (c) is incapacitated by physical or mental illness; or
- (d) is otherwise unable or unfit to perform the duties of a member.

the Chief Executive may declare his office as a member of the Board of the Authority to be vacant, and shall notify the fact in such manner as the Chief Executive thinks fit; and upon such declaration, the office shall become vacant.

2. Fees and allowances payable to members of Authority

(1) The Authority may pay its non-executive directors such fees and allowances as the Financial Secretary may determine.

(2) Subsection (1) shall not apply to any member of the Board of the Authority who is a public officer.

3. Quorum

(1) The quorum of the Authority shall not be less than half the members thereof for the time being and, while a member is disqualified from taking part in a decision or deliberation of the Authority in respect of a matter, he shall be disregarded for the purpose of constituting a quorum of the Authority for deciding, or deliberating on, that matter.

(2) All matters for determination at a meeting of the Authority shall be decided by a majority of votes of the members present and voting and where there is an equality of votes the Chairman or other member presiding shall have a casting vote in addition to his original vote.

4. Procedure of Authority

(1) Subject to this Schedule, the Authority shall have power to regulate its own procedure including the manner in which decisions of the Authority may be made by a quorum of its members otherwise than at a meeting of the Authority.

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(2) The Authority may transact any of its business by circulation of papers amongst members whether any such member is in or outside Hong Kong, and a resolution in writing which is approved in writing by a majority of the members shall be as valid and effectual as if it had been passed at a meeting of the Authority.

5. Authority may establish committees

(1) The Authority may create, and appoint the members of, such committees for the better carrying out of the purposes and powers of the Authority as it thinks fit.

(2) Persons who are not members of the Authority are eligible for appointment to committees.

(3) The chairman of a committee created under subsection (1) shall be appointed by the Authority and the number of members of a committee shall be determined by the Authority.

(4) Subject to the terms of any delegation by the Authority, or to any directions of the Authority, a committee—

(a) may exercise and perform the delegated powers and duties with the same effect as if it were the Authority itself;

(b) shall be presumed to be acting in accordance with the terms of the delegation in the absence of proof to the contrary;

(c) may regulate its own procedure.

(5) The proceedings of any committee created under subsection (1) shall not be invalidated by any defect in the appointment of any member thereof, the absence of any such member from the meeting at which any such proceedings occurred or any vacancy among such members.

6. Delegation of Authority's powers

(1) Subject to subsection (2), the Authority may, with or without restrictions or conditions as it thinks fit, delegate in writing any of its powers to any committee created under section 5(1).

(2) The Authority shall not delegate the power—

(a) to create any committee;

(b) to determine matters relating to the remuneration, and terms and conditions of employment, of the employees of the Authority;

(c) to establish, manage and control, or enter into an arrangement for the establishment, management and control of any fund or scheme for the purpose of providing for the pensions, gratuities, and retirement benefits to the employees of the Authority;

(d) to furnish after the expiry of the financial year a report on the affairs of the Authority for that year, a copy of its accounts therefor, and the auditor's report on the accounts;

(e) to submit a plan of a development scheme to the Town Planning Board; or

(f) to request the Secretary to recommend to the Chief Executive in Council the resumption of any land.

7. Documents of Authority

(1) The Authority may make and execute any document in the exercise of its powers or the performance of its duties or in connection with any matter reasonably incidental to or consequent upon the exercise of its powers or the performance of its duties.

(2) Any document purporting to be executed under the common seal of the Authority shall be admitted in evidence and shall, unless the contrary is proved, be deemed to have been duly executed.

(3) A certificate signed by the Chairman of the Authority that an instrument of the Authority purporting to be made or issued by or on behalf of the Authority was so made or issued shall be conclusive evidence of that fact.

(4) Any contract or instrument which, if entered into or executed by a person not being a body corporate, would not be required to be entered into or executed under seal, may be entered into or executed on behalf of the Authority by the Chairman or any executive director generally or specifically authorized in writing by the Authority for that purpose.

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8. Employees of Authority

- (1) The Authority shall determine—
 - (a) the remuneration, and the terms and conditions of employment, of its employees; and
 - (b) the standards of work and conduct of its employees, and matters relating to their suspension or dismissal from office.
- (2) The Authority shall determine the remuneration, and the terms and conditions of engagement, of technical and professional advisers, and the manner of their engagement.
- (3) The Authority may—
 - (a) grant, or make provision for the grant of, pensions, gratuities and retirement benefits to its employees;
 - (b) provide other benefits for the welfare of its employees and their dependants; and
 - (c) authorize payments, whether or not legally due, to the personal representatives of a deceased employee of the Authority or to any person who was dependent on such employee at his death.
- (4) The Authority may—
 - (a) establish, manage and control; or
 - (b) enter into an arrangement with the Government, any company or association for the establishment, management and control by the Government, that company or association either alone or jointly with the Authority of,
any fund or scheme for the purpose of providing for the pensions, gratuities, benefits and payments referred to in subsection (3).
- (5) The Authority may make contributions to and may require employees to make contributions to any fund or scheme referred to in subsection (4).

Explanatory Memorandum

The objects of this Bill are—

- (a) to establish a statutory corporation named the Urban Renewal Authority to replace the Land Development Corporation, for the purpose of improving the built environment of Hong Kong by undertaking urban renewal;
 - (b) to provide for the structure, purposes and powers of the Urban Renewal Authority; and
 - (c) to set out procedures for planning and land resumption which relate to development schemes and development projects to be implemented by the Urban Renewal Authority.
2. Part I comprises clauses 1 and 2 is preliminary and, in clause 2, the terms used in the Bill are defined.
3. Part II, which comprises clauses 3 to 6, establishes the Urban Renewal Authority—
- (a) clause 3 establishes the Urban Renewal Authority (the "Authority");
 - (b) clause 4 provides that the Board of the Authority shall be the governing and executive body of the Authority;
 - (c) clause 5 sets out the purposes of the Authority;
 - (d) clause 6 sets out the general power of the Authority.

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4. Part III, which comprises clauses 7 to 9, deals with the public accountability of the Authority—

- (a) clause 7 requires members of the Board of the Authority to declare interests;
- (b) clause 8 deals with the duty of public officers to state the public interest;
- (c) clause 9 enables the Chairman and executive directors of the Board of the Authority to attend before the Legislative Council if so requested.

5. Part IV, which comprises clauses 10 to 17, deals with the financial side of the operations of the Authority—

- (a) clause 10 deals with resources;
- (b) clause 11 sets out the borrowing powers of the Authority;
- (c) clause 12 deals with lending powers;
- (d) clause 13 enables the Government to guarantee the Authority's borrowings;
- (e) clause 14 provides for the use of surplus funds;
- (f) clause 15 relates to the debt of the Authority;
- (g) clause 16 provides for accounts, audit and annual reports;
- (h) clause 17 exempts the Authority from taxation.

6. Part V, which comprises clauses 18 to 23, deals with the planning procedures that are required to implement the urban renewal programme—

- (a) clause 18 requires the Authority to prepare 5-year forward planned corporate plans;
- (b) clause 19 requires the Authority to prepare 5-year forward planned business plans;
- (c) clause 20 deals with the publication of information relating to projects to be implemented by way of a development project for the purposes of the urban renewal programme;
- (d) clause 21 enables persons who will be affected by projects to make objections to the Authority;
- (e) clause 22 deals with projects to be implemented by way of a development scheme for the purposes of the urban renewal programme;
- (f) clause 23 requires development projects to be implemented in accordance with any draft or approved plan prepared under the Town Planning Ordinance (Cap. 131).

7. Part VI, which comprises clauses 24 to 26, deals with the resumption of land for the purposes of the implementation of the urban renewal programme—

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- (a) clause 24 enables the Secretary for Planning, Environment and Lands to recommend to the Chief Executive in Council the resumption of land so required;
- (b) clause 25 restricts the sale of resumed land by the Authority;
- (c) clause 26 provides for powers of entry and inspection.

8. Part VII, which comprises clauses 27 to 29, contains miscellaneous provisions—

- (a) clause 27 empowers the Secretary for Planning, Environment and Lands to request information from the Authority;
- (b) clause 28 empowers the Chief Executive to give directions to the Authority;
- (c) clause 29 enables the Authority to make bylaws.

9. Part VIII, which comprises clauses 30 to 32 and a Schedule, is transitional—

- (a) clause 30 sets out various matters which are to apply as a result of the repeal of the Land Development Corporation Ordinance (Cap. 15);
- (b) clause 31 provides for the transfer, to the Authority, of properties, assets, permissions and contracts;
- (c) clause 32 is consequential;
- (d) the Schedule sets out the provisions which apply to the Board of the Authority and its members.

