

RATING AND VALUATION DEPARTMENT (RVD)

Case No. OCAC 793/95

Complaint against RVD - delay in the issue of a rating notice

Mr A successfully tendered for a three-year lease of a property but received his first rating notice after the lease had run for almost two years. The amount of the rates took Mr A by surprise as it came to some 30% of the rental. Had he known about the relatively high rates, he would not have entered into the lease in the first place and by the same token, the business, not being financially viable as a result of the high rates, would have been discontinued had the rating notice been issued earlier.

2. According to the Rating Ordinance, the backdating period for demand of rates cannot exceed 24 months. Therefore for the purpose of revenue protection, the first demand for rates must be sent to the ratepayer not later than 24 months of the date when the rates become payable.

3. As a departmental performance pledge, RVD promises to issue 85 % of all rating notices to ratepayers within 12 months of the date when rates become payable.

4. While this Office considers Mr A's financial exposure to the unexpectedly high rates a result of his own decision to enter into a lease commitment without being knowledgeable about the total and final cost liability, this complaint is nonetheless considered **substantiated** not only because RVD admitted to having incurred the delay, but also on the ground that Mr. A had been unwittingly lured into a state of false complacency for an extended period of suspense and then became confounded by the outcome.

5. Mr A's rates liability is a matter of professional judgement subject to statutory appeal channels, and his business loss attributed to the high rates would be unaffected by the delay in the issue of the rating notice. However, his agony could have been alleviated or avoidable had an interim advice been issued, and RVD through its routine practice may have imparted unfairness by its apparent inaction and inadequate consideration for the ratepayer's position.

6. The Commissioner of Rating and Valuation agreed with the conclusion of this investigation and would in due course attach a leaflet to the requisition form issued regularly to ratepayers for the purpose of obtaining particulars for raising an assessment to advise of the Department's performance pledge and to invite ratepayers to make enquiries where the notice of interim valuation is not received within the envisaged time-frame.