

Implementing Regulation of Idle Land Fees Law

Chapter I: Definitions

Article 1:

For the purposes of this Regulation, the following words and phrases, wherever they appear herein, shall have the meanings set forth before them, unless the context otherwise requires:

Minister: Minister of Municipal Rural Affairs & Housing.

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Law: Idle Land Fees Law

Regulation: Implementing Regulation of the Law.

Vacant land: Lands that have not witnessed urban development according to intended purposed, in accordance with relevant laws and regulations in force at the time of announcement.

Idle lands: Each vacant land designated for residential or commercial residential use; within urban growth boundary.

Taxpayer: A natural or legal person in whose name the title document of the land subject to fees was registered at the time of issuing the decision related to it, including their heirs or successors.

Announcement: Announcement issued by the Ministry regarding the lands subject to fees within a phase of the timetable, as specified in Article (6) of the Regulation.

Developed land: Vacant land whose planning was finally approved by the competent authority.

Urban development: For an undeveloped land; Completing the implementation of its development in accordance with the regulatory requirements at the time of adoption of its drawing, and for a developed land; Completing the construction of residential facilities on it - other than fencing and the like - in accordance with the building permit issued for it.

Decision: Decision of the Minister to subject certain lands to implement the fee.

City: Any population of residents, whether in a city, governorate, or center.

Urban growth boundary: The lines shown in urban growth boundary maps according to the adopted urban growth zoning rules, which indicate the different stages of urban development and the development protection boundary and represent the appropriate boundaries for the settlement of urban activities and the accommodation to urban growth within a specified period of time.

Public facilities: Road, water, electricity, communications, sewerage and storm drainage networks.

Public services: Religious, educational, health, security, and similar services not included by the regular planning ratio.

Chapter II: Lands Subject to Fee

Article 2:

1. The reference in urban zoning and land use allocation is urban growth zoning maps and detailed plans issued by the competent authorities for implementation.
2. The modification or alteration of the urban boundary of a city shall alter the spatial boundary for implementing the fee accordingly.

Article 3:

1. A committee (or more) with at least three members, one of whom shall be a valuer in the Saudi Authority for Accredited Valuers, shall be formed in the Ministry by a decision of the Minister.
2. Members of the Committee shall have sufficient expertise in property valuation and in land development procedures, and the term of office in the Committee shall be (three) renewable years.
3. The Committee shall assess the fair value of the land subject to the fee and determine the additional period referred to in subparagraph (d) of paragraph (1) of Article (9) of the Regulation in accordance with the technical criteria and controls necessary for the performance of its work, as stipulated in the Law and Regulation, and as issued by the Minister, and shall issue its decisions by majority.

4. The rules and procedures of the Committee and the remuneration of its members shall be issued by a decision of the Minister.

Article 4:

The land subject to implementation of the fee shall be valued on the basis of its value at the date of announcement according to the following criteria:

1. Location of land within the urban growth boundary
2. Uses
3. Terrain
4. Applicable building laws.
5. Factor of availability of public services and access thereto.
6. Surrounding commercial, industrial and social activities and uses which have an impact on residential use.

Article 5:

1. For the purpose of estimating the value of the land subject to implementation of the fee, the factor of availability of public services and access to public facilities shall be determined in accordance with:

- a. Identification of public services and facilities the availability of which has an impact on the valuation of the land.
- b. Determination of the weight of each service or facility as necessary for housing.
- c. The weight of the service or facility does not change in a city.

2. The Ministry may periodically review the weight of the service or facility, provided that the total weights are calculated to estimate the basic value of the land in accordance with a special formula provided for this purpose by the Ministry.

Chapter III: Controls of Implementing Fees

Article 6:

1. The implementation of the fee to lands subject to the fee shall be in accordance with the following stages:

(a) Stage I: Undeveloped lands with an area of 10,000 square meters or more, within the boundary determined by the Ministry.

b. Stage II: Developed lands belonging to a single owner in a single approved drawing, with a total area of more than 10,000 square meters.

c. Stage III: Developed lands belonging to a single owner in a single approved drawing, with a total area of more than 5,000 square meters.

d. Stage IV: Developed lands belonging to a single owner in one city, with a total area of more than 10,000 square meters.

2. If a particular stage does not apply to any city, or the lands within a given stage are insufficient to achieve the required balance between supply and demand, that stage may - by decision of the Minister - be bypassed to proceed to the next stage.

Article 7:

The fee shall be implemented according to the following timetable:

1. Announcement of a city being subject to the fee shall be based on the need to increase the supply of developed lands therein.

2. The Ministry shall periodically conduct a review of the situation in any city to determine the implementation of the fee to the land therein, suspend the implementation, or to bypass a certain stage and move to any of the following stages in the same city, as detailed in Article (6) of the Regulation.

Article 8:

In order to subject a land to implementation of the fee, the land shall be:

1. A vacant land.

2. Within the urban growth boundary.

3. Allocated for commercial residential or residential use according to the approved drawing issued by the competent authority.

4. Within the category of lands subject to the implementation of the fee as set forth in Article (6) of the Regulation.

Article 9:

1. The fee shall not apply to the land subject to implementation in any of the following cases:

- A. Absence of any of the requirements for implementing the fee contained in Article (8) of the Regulation.
 - B. Presence an obstacle to the disposition of the land by the landowner, provided that the taxpayer does not cause or participate in the obstacle.
 - C. The existence of an impediment to the issuance of the necessary permits and approvals for the development or construction of the land, provided that the taxpayer does not cause or participate in the impediment.
 - D. Completion of the development or construction of the land within one year from the date of the issuance of the decision. By a decision of the Minister, the taxpayer may be granted a single additional period, not exceeding one year according to the size and nature of the land, for the development or construction of the land. If a period of more than one year is required, the committee shall estimate the period, and the committee formed under the Council of Ministers' resolution No. (94) dated 11/2/1439H shall approve said period. If the development or construction of the land is not completed within the period granted to the taxpayer, the fees due for that period shall be collected.
2. If the fee ceases to apply to part of the land, it shall apply to the remainder of the land if that part falls within the category subject to the fee and can be disposed of by the taxpayer.

Article 10:

The Ministry shall take the necessary measures to ensure that the fee is implemented fairly and to prevent evasion of its payment, including:

- 1- Standardization of implementation and evaluation criteria in all regions, cities and target groups.
2. Establish the necessary mechanisms to verify the accuracy of the data provided on the land or the taxpayer, in coordination with the relevant authorities.
- 3- All communications, decisions and communications addressed to the taxpayer shall be deemed enforceable as soon as they are communicated to any of the addresses specified by the taxpayer.
- 4- Coordination with concerned authorities to ensure that, after the announcement is made, land uses are not exploited and changed to evade payment of the fee.

Chapter IV: Communication with Taxpayers

Article 11:

1. A drawing indicating the geographical boundary identified for lands subject to implementing the fee shall be attached to the announcement.
2. The announcement shall be published in two daily newspapers and on the website of the Ministry.

Article 12:

1. The Ministry shall specify the documents and data that the taxpayer is required to submit.

2- The notification to the taxpayer of the decision concerning their land must include -at a minimum- the following data:

- a. Name of the taxpayer and their civil or commercial register number.
- b. Land title number.
- c. Location of land.
- d. Official document of the decision.
- e. Amount of fee payable.
- f. Date of payment of the fee.
- g. Means of payment of the fee.
- h. Consequences of non-payment or delay in payment of the fee.
- i. The taxpayer's right to grieve against the decision in accordance with legal procedures.

Article 13:

1. All communications and notices issued to the taxpayer must be in writing.
2. The contact address specified by the taxpayer shall include the their telephone numbers and national address.

Chapter V: Collection of Fees and Fines

Article 14:

- 1- The taxpayer is obliged to pay the fee and any fine resulting from the violation of the provisions of the Law or Regulation.
2. The retroactive collection of the fee for previous periods shall not affect the implementation of any fine resulting from the failure of the taxpayer to pay or to present the documents required by law.
- 3 - The taxpayer shall pay the fee within a period not exceeding one year from the date of the decision. If the taxpayer is granted an additional period for the development or construction of the land in accordance with the controls referred to in subparagraph (d) of paragraph (1) of Article (9) of the Regulation, the period of payment shall be extended without exceeding the additional period for development or construction.
- 4- If the taxpayer completes the development or construction of the land within the period of one year or the duration granted to them-referred to in subparagraph (d) of paragraph (1) of Article (9) of the Regulation- after payment of the fee, the amount paid for that period shall be returned to them.
- 5- Failure to pay the fee shall not affect the right of the taxpayer to dispose or develop the land.

Article 15:

- 1- The taxpayer shall be informed of the amount of the fee due, or any fine that may result from their violation of the Law or Regulation, in accordance with the reporting mechanisms specified in the Regulation.
2. The fees due and any fine for violation of the Law or Regulation shall be collected in accordance with the collection procedures specified in the State Revenue Law and Implementing Regulation thereof.
3. The Ministry shall collect the fees due, and any fine resulting from the violation of the Law or Regulation, by any means it deems appropriate, and may be assisted by the private sector for this purpose.
4. The Ministry shall allocate the disbursements - from the account allocated for fees and fines collected - for housing projects, the delivery of public facilities, and the provision of public services therein.

Article 16:

If the land subject to implementation of the fee is owned by more than one person, whether natural or legal, each of them shall be obliged to pay part of the fee to the extent of their respective share of ownership of the land.

Chapter VI: General Provisions

Article 17:

The Ministry shall continuously coordinate with the relevant authorities in order to implement the provisions of the Law and Regulation in a manner that ensures the achievement of the objectives of implementing fees to idle lands.

Article 18:

The Minister shall issue relevant decisions as necessary to implement the provisions of the Regulation.