


Rates Remission and Postponement on Māori Freehold Land POLICY

About this Policy

This Policy aims to assist Māori freehold land ratepayers experiencing extreme financial circumstances that affect their ability to pay rates.

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DocSet ID number:	652978	
ECM Version:	9	
Approval Date/Resolution Number:	29 May 2024	CNCL 2024-59
Responsibility:	Executive Manager Business Support	
Next review date:	2030	
Historic revision dates:	1 July 2003 (RES 265/03) – <i>first adopted</i> , 24 June 2004 (234/04) 28 May 2009 (134/09), 28 June 2012 (236/12), 18 June 2015 (15/165), 28 June 2018 (18/197), 27 May 2021 (C21/155), 20 June 2022 (22/34), 29 May 2024 (CNCL2024-59)	
Review frequency:	Required once every 6 years	
Approval authority:	Council	
Consultation required:	Yes, Special Consultative Procedure	
Associated Documents:	Long Term Plan and financial policies	

1. Objective

The Policy recognises that land is a taonga tuku iho of special significance and the importance of retaining that land and facilitating its occupation, development and use for the benefit of its Māori owners, their whanau and hapu. The Council believes it has a role to encourage owners of Māori land to retain that land and to develop it in ways that benefits its owners, their whanau, and their hapū.

2. Remissions for Inaccessible, Unoccupied and Unproductive Māori Freehold Land

2.1. Principles

To recognise the special characteristics of Māori freehold land in relation to the objectives of Schedule 11 of the Local Government Act 2002.

2.2. Background

The Local Government (Rating) Act 2002 provides the ability to set rates on property. The Local Government Act 2002 requires Council to have a policy for Remission and Postponement of Rates on Māori freehold land.

Entire Māori freehold land rating units that are unused are non-rateable under a 2021 amendment to the Local Government (Rating) Act 2002. This remission policy is intended to cater to situations where a significant part of a Māori freehold land rating unit may be unused, and a remission of rates based on the unused portion of the rating unit is considered fair.

2.3. Policy Statement

A remission or postponement of all or part of rates excluding those targeted rates for water supply, sewage disposal and refuse collection may be granted on a Māori freehold land area that is:

- inaccessible, or
- unoccupied, and
- unproductive, and
- which complies with the objectives of Schedule 11 of the Local Government Act 2002.

The following conditions or criteria also apply:

- All applications for rates relief must be supported by details of the land, evidence of ownership and the reason for the remission.
- Applications for remission under this policy must be made in writing and if granted will apply for a maximum of three years. Applications cannot be backdated beyond the current rating year.

Rates referred to above exclude penalties. However, Council's Policy on Remission of Penalties may be applied.

3. Remission for Māori Freehold Land Under Development

3.1. Principles

To encourage the development of currently unused, or underutilised Māori freehold land to benefit the owners and the community as a whole through increased employment opportunities, additional housing, support for marae and an increase in council's rating base in the long term.

3.2. Background

The Local Government (Rating) Act 2002 provides the ability to set rates on property. A 2021 amendment to the Local Government (Rating) Act 2002 requires all councils to have a remission policy for Māori freehold land under development. This remission policy complies with section 114A of the Local Government (Rating) Act 2002.

3.3. Policy Statement

A remission of all or part of rates excluding those targeted rates for water supply, sewage disposal and refuse collection may be granted on Māori freehold land that is under development such that the development will:

- Create new employment opportunities, or
- Create new homes, or
- Increase council's rating base in the long term, or
- Provide support for marae in the district, or
- Facilitate the occupation, development, and utilisation of the land, and
- which complies with section 114A of the Local Government (Rating) Act 2002.

The following conditions or criteria also apply:

- All applications for rates relief must be supported by details of the land, evidence of ownership and the reason for the remission including details of the development.
- Applications for remission under this policy must be made in writing and if granted will apply for a maximum of one (rating) year. Applications cannot be backdated beyond the current rating year.
- Applications can be made in consecutive rating years for the same development and will be assessed based on the amount of any previous remission provided, progress of the development against previous expectations and development plans for the forthcoming year.
- Land being planted for permanent carbon farming or properties being renovated or enhanced for the owner's enjoyment does not constitute a development and rates remission would not apply.

A rates remission may be calculated based on the rates that would be applicable:

- (a) for that portion of land in a rating unit that is under development.
- (b) for the duration of a development; and
- (c) differently during different stages of a development; and
- (d) subject to any conditions specified by the local authority, including conditions relating to—
 - (i) the commencement of the development; or
 - (ii) the completion of the development or any stage of the development.

In determining what proportion of the rates to remit during the development or any stage of the development, council will take into account—

- (a) if the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
- (b) if the development involves the building of one or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.

4. Remission for land where rating valuation exceeds value relevant for purpose

4.1. Principles

To encourage the use and maintenance of land, maintain some rates income from the land, and benefit all ratepayers.

4.2. Background

The Local Government (Rating) Act 2002 states that a person actually using certain Māori freehold land is liable for rates, that 2 or more rating units used as a single unit are to be treated as 1 for the purpose of rates assessment, and that unused Māori freehold land is non-rateable.

Some Māori freehold land in rural areas has been partitioned into small blocks that, due to their size, are valued on a residential or lifestyle basis. This results in valuations that exceed the value that is relevant for the purpose for which the land will be used. Some Māori freehold land is used by neighbours who become liable for the rates.

4.3. Policy Statement

A remission of part of the rates may be granted on Māori freehold land where:

- The land has a rating valuation in excess of the value relevant for the purpose for which the land will be used.
- The land has a rating valuation in excess of neighbouring land with which it may be used.
- A remission will achieve the principles of this remission and objectives of this policy.

The following conditions or criteria also apply:

- All applications for rates relief must be supported by details of the land, evidence of ownership and the reason for the remission.
- Applications for remission under this policy must be made in writing and if granted will apply for a maximum of three years. Applications cannot be backdated beyond the current rating year.
- Calculation of remissions are to be on a case by case basis, with the determination of 'actual use' rate able value to be made by Council based on valuation service provider advice.

4.4. Postponement of Rates on Māori Freehold Land

Council has resolved not to have a rates postponement policy specifically for Māori freehold land, however the rates postponement policy for all land is also applicable to Māori freehold land.

5. Definitions

Māori freehold land	Land whose beneficial ownership has been determined by the Māori Freehold Land Court by a freehold order.
Māori freehold land in multiple ownership	Land owned by more than two persons (Section 5 of the Local Government (Rating) Act 2002.
Postponement	The delay of payment of rates.
Remission	Reduction of the amount of rates to be paid.
Remitted rates	Rates for which the requirement to pay is remitted.
Rates	Amounts set and assessed in accordance with the Local Government (Rating) Act 2002 and classified as General Rates including a Uniform Annual General Charge or Targeted Rates. Rates include penalties payable on unpaid rates.
Rating valuation	The valuation determined under the Rating Valuations Act 1998 used for setting rates.

6. Relevant Delegations

Council has delegated authority to approve postponement of rates and/or remission of rates on Māori freehold land to the Chief Executive as set out in the Delegations Manual. The Chief Executive has the right to review decisions to remit rates when circumstances that led to granting the remission or postponement have changed. Appeals against the decision of the Chief Executive are to be considered for final determination at a formal meeting of Council.

7. References and Relevant Legislation

Local Government Act 2002 – Schedule 11

Local Government Act 2002

Local Government (Rating of Whenua Māori) Amendment Act 2021

Local Government (Rating) Act 2002.

8. Annotations

Res No	Date	Subject/Description
265/03	10/07/03	Original policy adopted by Council as part of Annual Plan process
234/04	24/06/04	Amended/confirmed as part of LTCCP process
134/09	28/05/09	Amended/confirmed as part of LTCCP process
236/12	28/06/12	Amended/confirmed as part of Long Term Plan 2012-22 process
15/165	18/06/15	Amended/confirmed as part of Long Term Plan 2015-25 process
18/197	28/06/18	Amended/confirmed as part of Long Term Plan 2018-28 process
21/155	27/05/21	Amended/confirmed as part of Long Term Plan 2021-31 process
22/34	20/06/22	Amended/confirmed due to Local Government (Rating of Whenua Māori) Amendment Act 2021
CNCL 2024-59	29/05/24	Reviewed and adopted as part of LTP 2024-34