

Reprint  
as at 21 March 2019



## Local Government (Rating) Act 2002

Public Act 2002 No 6  
Date of assent 30 March 2002  
Commencement see section 2

### Contents

	Page
1 Title	8
<b>Part 1</b>	
<b>Preliminary and key provisions</b>	
Subpart 1—Preliminary provisions	
2 Commencement	8
3 Purpose	9
4 Outline	9
5 Interpretation	10
6 Act binds the Crown	13
Subpart 2—Key provisions	
<i>What is rateable?</i>	
7 Rateable land	13
8 Non-rateable land	13
9 Non-rateable land liable for certain rates	14
<i>Who is a ratepayer?</i>	
10 Who is ratepayer?	14

---

#### Note

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.  
Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This Act is administered by the Department of Internal Affairs.**

11	Entry of ratepayer in rating information database and district valuation roll	14
	<i>Who must pay rates?</i>	
12	Liability for rates	15
	<i>What kinds of rates may be set?</i>	
13	General rate	15
14	Categories of rateable land for setting general rate differentially	16
15	Uniform annual general charge	16
16	Targeted rate	16
17	Categories of rateable land for setting targeted rate	17
18	Calculating liability for targeted rate	17
19	Targeted rate for water supply	17
20	Rating units in common ownership	18
	<i>Maximum revenue from certain rates</i>	
21	Certain rates must not exceed 30% of total rates revenue	18
22	Defence land	18
	<i>How are rates set?</i>	
23	Procedure for setting rates	18
24	Due date or dates for payment	19
	<i>Regulations relating to rating of educational establishments</i>	
25	Regulations relating to rating of educational establishments	20
26	Report of Ministerial review of rating practice in relation to educational establishments	20
<b>Part 2</b>		
<b>Rating information database and rates records</b>		
	<i>Rating information database</i>	
27	Rating information database	21
28	Inspection of rating information database	22
28A	Inspection of complete rating information database	23
28B	Local authority must inform owners of right to withhold certain information from database	24
28C	Owner entered on database may require local authority to withhold information from database	24
28D	Transitional provision for local authority to establish database	24
29	Objections to rating information database	25
	<i>Notification of change in circumstances</i>	
30	Interpretation	25
31	Notification of change of ownership of rating unit	26
32	Notification of surrender or termination of lease or licence	26
33	Notification of transfer or assignment of lease or licence	26

34	Effect of notice on liability for rates	27
35	When name of ratepayer entered in rating information database may be removed	27
36	Notification of change of name	27
	<i>Rates records</i>	
37	Rates records	27
38	Inspection of rates records	28
39	Objection to rates records	29
40	Local authority may correct errors in rating information database and rates records	29
41	Amended assessment if error in rating information database or rates record is corrected	29
41A	Amended assessment to give effect to objection to valuation under Rating Valuations Act 1998	30
42	Recovery of additional rates in certain cases	30
	<b>Part 3</b>	
	<b>Assessment, payment, and recovery of rates and remission and postponement</b>	
	Subpart 1—Assessment, payment, and recovery	
	<i>Basis for assessment of rates</i>	
43	Rates must be assessed in accordance with values and factors	31
	<i>Notice to ratepayers of rates liability</i>	
44	Notice of rates assessment	32
45	Contents of rates assessment	32
46	Rates invoice	33
47	Issue of amended rates invoice	34
48	Delivery of rates assessment and rates invoice	35
49	Late delivery of rates invoice	35
50	Rates invoice based on previous year's rates	35
51	Combined rates assessment and rates invoice	35
	<i>Collection of rates</i>	
52	Payment of rates	36
53	One or more local authorities may appoint collector	36
54	Power not to collect small amounts	36
	<i>Provision for early payment of rates</i>	
55	Policy for early payment of rates in current financial year	37
56	Policy for payment of rates for subsequent financial year	37
	<i>Penalties</i>	
57	Penalties on unpaid rates	38
58	Imposition of penalty	38

<i>Recovery of unpaid rates</i>		
59	Rates are charge against rating unit	39
60	Invalidity of rates not ground for refusal to pay rates	39
<i>Recovery from persons other than owner</i>		
61	Default by person other than owner	39
62	Recovery of rates if owner in default	39
<i>Legal proceedings to recover rates</i>		
63	Legal proceedings to recover rates	40
64	Service of summons	40
65	Limitation of time for recovery of rates	41
66	Registration of charging order for judgment for rates	41
<i>Rating sales and leases</i>		
67	Enforcement of judgment	42
68	Rating sale or lease	43
69	Service of notice	43
70	Rating unit may be sold or leased	43
71	How rating sale or lease must be conducted	44
72	Further powers and duties of Registrar	44
73	Execution of documents for rating sale or lease	44
74	Presumption of valid rating sale or lease	45
75	Application of proceeds of rating sale or lease	45
76	Application of balance of proceeds	46
<i>Abandoned land</i>		
77	Sale or lease of abandoned land	46
78	Court may order sale or lease of abandoned land	47
79	Conduct of sale or lease of abandoned land	47
80	Execution of documents for abandoned land	47
81	Presumption that sale or lease valid	48
82	Application of proceeds of sale or lease	48
83	Registration of instruments	48
<i>Crown land</i>		
84	Crown land held on lease or licence	49
Subpart 2—Remission and postponement		
<i>Remission of rates</i>		
85	Remission of rates	49
86	Recording remitted rates	49
<i>Postponement of requirement to pay rates</i>		
87	Postponement of requirement to pay rates	49
88	Postponement fee may be added to postponed rates	50
89	Recording postponed rates	50

90	Postponed rates may be registered as charge on rating unit	50
<b>Part 4</b>		
<b>Rating of Māori freehold land</b>		
91	Liability of Māori freehold land for rates	51
<i>District valuation rolls</i>		
92	Recording name of ratepayer	52
<i>Land vested in trustees</i>		
93	Limitation on trustee liability	52
<i>Māori freehold land in multiple ownership</i>		
94	Appointment of person to receive notices	53
95	Effect of appointment of owner or agent	53
<i>Person actually using Māori freehold land in multiple ownership</i>		
96	Person actually using land liable for rates	53
97	Rates assessment delivered to person actually using land	54
98	Recovery of unpaid rates from person actually using land	54
<i>Charging orders</i>		
99	Application for charging order	54
100	Matters that must be taken into account by Māori Land Court	55
101	Powers of Māori Land Court to make charging order	56
102	Charging order must be registered	56
103	Charging order in favour of owner paying rates	56
<i>Effect of charging orders</i>		
104	Effect of charging order	57
105	Charging order in force until discharged	57
106	Consolidation of charging orders	57
107	Charging order apportioned if land partitioned	57
<i>Enforcement of charging orders</i>		
108	Māori Land Court may enforce charging order	58
109	Scope of order	58
110	Cancellation of order to enforce charging order	58
111	Māori Land Court may make order for payment	59
<i>Discharge of charging orders</i>		
112	Discharge of charging order in full or in part	59
113	Notation and registration of discharge	59
<i>Remission, postponement, and exemption of rates</i>		
114	Remission of rates	60
115	Postponement of requirement to pay rates	60
116	Exemption of Māori freehold land from rates	61
117	Effect of exemption	61

**Part 4A**  
**Lump sum contributions**

117A	Interpretation	61
117B	Local authority may fund capital project by lump sum contributions	62
117C	Requirement to pay lump sum contribution must not be imposed on ratepayers	63
117D	Consequences for local authority if capital project funding plan adopted	63
	<i>Capital project funding plans</i>	
117E	Contents of capital project funding plan	63
	<i>Invitations to make lump sum contribution</i>	
117F	Invitations to make lump sum contribution	63
117G	Contents of invitation	64
	<i>Elections to make lump sum contribution</i>	
117H	Eligible ratepayer may elect to make lump sum contribution	64
117I	Lump sum contribution invoice	65
117J	Consequences for eligible ratepayer (and any future ratepayers) of election to make lump sum contribution	65
	<i>Local authority must record certain matters</i>	
117K	Local authority must record elections and lump sum contributions in rating information database and rates records	66
	<i>Change of ownership of rating unit</i>	
117L	Local authority must notify new ratepayer of liability in respect of rating unit for lump sum contribution	66
	<i>Recalculation of lump sum contributions</i>	
117M	Recalculation of lump sum contributions	67
	<i>Late payment or non-payment of lump sum contribution</i>	
117N	Late payment or non-payment of lump sum contribution	68

**Part 5**  
**Replacement of rates and miscellaneous matters**

Subpart 1—Replacement of rates

118	Interpretation	69
	<i>Setting rates again</i>	
119	Local authority may set rates again	69
	<i>Replacing invalid rates</i>	
120	Replacement of invalid rates	70
121	Notice that rates will be replaced	71

122	Matters relevant to setting replacement rates	71
	<i>Rates replacement proposal</i>	
123	Rates replacement proposal	71
124	Adoption of rates replacement proposal	72
	<i>Effect of replacement rates</i>	
125	Adjustment of rates due on properties	73
126	Allocation of excess	73
127	Assessment of deficit	74
	<i>Particular circumstances</i>	
128	Subdivision of rating unit	74
129	Replacement of postponed rates	75
130	Cancellation of deficit	75
	Subpart 2—Miscellaneous matters	
131	Estimate of projected valuation by regional council	75
132	Delegation	75
133	In certain cases Governor-General in Council may extend time or validate proceedings	76
134	Judge, etc, not interested merely by being ratepayer	76
135	Evidence of certain matters	76
136	Notification	76
	<i>Amendments, savings, repeals of other enactments, and transitional provisions</i>	
137	Amendments to other enactments	77
138	Repeals and savings	77
139	Transitional provision for rates remission	77
140	Transitional provisions for rates postponement	78
141	Transitional provision for rates-postponement values	78
142	Transitional provision for special rateable values	78
143	Certain terms in other enactments must be treated as terms under this Act	79
144	Certain terms in leases, licences, and contracts must be treated as terms under this Act	79
145	Saving relating to lump sum contributions	79
146	Savings for rates made in accordance with classification or differential systems	79
147	Act does not limit charging powers	80
	<b>Schedule 1</b>	81
	<b>Categories of non-rateable land</b>	
	<b>Schedule 2</b>	87
	<b>Matters that may be used to define categories of rateable land</b>	

<b>Schedule 3</b>	88
<b>Factors that may be used in calculating liability for targeted rates</b>	
<b>Schedule 3A</b>	89
<b>Lump sum contributions</b>	
<b>Schedule 4</b>	92
<b>Amendments to Rating Valuations Act 1998</b>	
<b>Schedule 5</b>	95
<b>Amendments to other Acts and regulations</b>	
<b>Schedule 6</b>	100
<b>Repeals and revocations</b>	

## **1 Title**

This Act is the Local Government (Rating) Act 2002.

### **Part 1**

#### **Preliminary and key provisions**

##### Subpart 1—Preliminary provisions

## **2 Commencement**

- (1) Section 137(1), so far as it relates to the item relating to section 122ZAA of the Local Government Act 1974 in Schedule 5, comes into force on the day after the date on which this Act receives the Royal assent.
- (2) The following provisions come into force on the day after the date on which this Act receives the Royal assent, but only for the purpose of rating in a financial year that begins on or after 1 July 2003:
  - (a) section 11, so far as it relates to district valuation rolls; and
  - (b) section 137(1), so far as it relates to—
    - (i) Schedule 4; and
    - (ii) items relating to the Rating Valuations Regulations 1998 in Schedule 5.
- (3) The following provisions come into force on 30 April 2003:
  - (a) section 11, so far as it relates to rating information databases; and
  - (b) sections 27 to 36.
- (4) The rest of this Act comes into force on 1 July 2003.



### **3 Purpose**

The purpose of this Act is to promote the purpose of local government set out in the Local Government Act 2002 by—

- (a) providing local authorities with flexible powers to set, assess, and collect rates to fund local government activities;
- (b) ensuring that rates are set in accordance with decisions that are made in a transparent and consultative manner;
- (c) providing for processes and information to enable ratepayers to identify and understand their liability for rates.

Section 3: amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **4 Outline**

- (1) This Act replaces the Rating Powers Act 1988.
- (2) Part 1 contains—
  - (a) preliminary provisions that provide for the commencement of the Act, state the purpose of this Act, define certain terms used in the Act, and provides that this Act binds the Crown; and
  - (b) key provisions that state who is liable to pay rates, what land is rateable, what kinds of rates may be set, and how rates are set.
- (3) Part 2 contains provisions that relate to the rating information database and rates records that must be kept by a local authority to record information that is required for setting rates and to establish liability for rates.
- (4) Part 3 contains—
  - (a) provisions that relate to the assessment and payment of rates, and to the recovery of unpaid rates; and
  - (b) provisions that set out requirements that relate to remission of rates and postponement of the requirement to pay rates.
- (5) Part 4 contains—
  - (a) provisions that govern the liability for rates on Māori freehold land (including multiply-owned freehold land); and
  - (b) provisions that govern the power to recover unpaid rates through the Māori Land Court; and
  - (c) provisions that govern the remission and postponement of the requirement to pay rates assessed for Māori freehold land; and
  - (d) provisions that allow Māori freehold land to be exempted from the payment of rates.
- (6) Part 5 contains—
  - (a) provisions that relate to the replacement of invalid rates; and

- (b) miscellaneous provisions, amendments to other enactments, and transitional and savings provisions.

## 5 Interpretation

In this Act, unless the context otherwise requires,—

**abandoned land**, in relation to a rating unit, has the meaning given to it in section 77

**annual plan** means an annual plan adopted under section 95 of the Local Government Act 2002

**annual value** has the meaning set out in section 2(1) of the Rating Valuations Act 1998

**capital project** has the meaning set out in section 117A

**capital value** has the meaning set out in section 2(1) of the Rating Valuations Act 1998

**common marine and coastal area** has the meaning given in section 9(1) of the Marine and Coastal Area (Takutai Moana) Act 2011

**customary marine title area** has the meaning given in section 9(1) of the Marine and Coastal Area (Takutai Moana) Act 2011

**district** means the district of a local authority; and includes a region

**district valuation roll** means,—

- (a) in relation to a territorial authority, a roll prepared for a district under section 7 of the Rating Valuations Act 1998 and approved under section 11 of that Act; and
- (b) in relation to a regional council, the current district valuation rolls for the districts of the territorial authorities within its region

**due date**, in relation to a rate or part of a rate, means the last day for payment of the rate, or part of the rate, that is set out in the rates assessment

**early payment policy** means a policy for the early payment of rates under section 55 or section 56

**financial year** means a period of 12 months beginning on 1 July

**funding impact statement** means,—

- (a) in relation to the first financial year to which a long-term plan relates, the funding impact statement included in the plan under clause 15 of Schedule 10 of the Local Government Act 2002; and
- (b) in relation to any other year, the funding impact statement included, under clause 20 of Schedule 10 of the Local Government Act 2002, in the annual plan adopted for that year under section 95 of that Act

**general rate** means a rate set under section 13

**land** means all land, tenements, and hereditaments, whether corporeal or incorporeal, in New Zealand, and all chattel or other interests in the land, and all trees growing or standing on the land

**land transfer register** means the register kept under section 9 of the Land Transfer Act 2017

**land value** has the meaning set out in section 2(1) of the Rating Valuations Act 1998

**local authority** means a territorial authority or a regional council

**long-term plan** means a long-term plan under section 93 of the Local Government Act 2002

**lump sum contribution** has the meaning set out in section 117A

**Māori freehold land** means land whose beneficial ownership has been determined by the Māori Land Court by freehold order

**Māori freehold land in multiple ownership** means Māori freehold land owned by more than 2 persons

**owner** means the person who, whether jointly or separately, is seized or possessed of, or entitled to, any estate or interest in land constituting a rating unit

**person actually using land** has the meaning given to it in section 96

**postponed rates** means rates for which the requirement to pay is postponed

**postponement policy** means a policy under section 110 of the Local Government Act 2002

**public notice** means—

- (a) a notice published in a newspaper circulating generally in the district; or
- (b) if there is no newspaper in general circulation in a district, a notice exhibited on placards that are affixed in public places in the district to which the subject matter of the notice relates

**Public Trust** has the same meaning as in the Public Trust Act 2001

**rate**—

- (a) means a general rate, a targeted rate, or a uniform annual general charge that is set in accordance with subpart 2 of Part 1; and
- (b) includes a penalty added to a rate in accordance with section 58; but
- (c) does not include a lump sum contribution

**rateable value** means the rateable value of land under section 13(3)

**rates assessment** means the document that gives notice of the ratepayer's liability to pay rates on a rating unit

**rates invoice** means the document that notifies a ratepayer of the amount of rates that are payable for a rating unit under section 46

**rates record** means the record maintained by a local authority under section 37

**rating information database** means the database that is required to be kept by a local authority under section 27

**rating sale** or **rating lease** means a sale or lease of a rating unit under section 68 to enforce a judgment for rates

**rating unit** means a rating unit for the purposes of the Rating Valuations Act 1998

**regional council** means a regional council within the meaning of the Local Government Act 2002

**remission policy** means a policy under section 109 of the Local Government Act 2002

**remitted rates** means rates for which the requirement to pay is remitted

**sale** includes a sale under an agreement for sale and purchase

**sewage disposal** includes sewage collection and sewage treatment

**special consultative procedure** means the procedure set out in section 83 of the Local Government Act 2002

**structure** has the meaning given in section 9(1) of the Marine and Coastal Area (Takutai Moana) Act 2011

**targeted rate** means a rate set under section 16 or section 19

**territorial authority** means a territorial authority within the meaning of the Local Government Act 2002

**Te Urewera Board** and **trustees** have the meanings given in section 7 of the Te Urewera Act 2014

**uniform annual general charge** means a rate set under section 15.

Compare: 1988 No 97 s 2

Section 5 **annual plan**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **capital project**: inserted, on 28 June 2006, by section 4(1) of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 5 **common marine and coastal area**: inserted, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

Section 5 **customary marine title area**: inserted, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).

Section 5 **district**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **funding impact statement**: inserted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **funding impact statement** paragraph (a): substituted, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 5 **funding impact statement** paragraph (b): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 5 **land transfer register**: amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 5 **long-term council community plan**: repealed, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 5 **long-term plan**: inserted, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 5 **lump sum contribution**: inserted, on 28 June 2006, by section 4(1) of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 5 **postponement policy**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **rate** paragraph (b): amended, on 28 June 2006, by section 4(2) of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 5 **rate** paragraph (c): added, on 28 June 2006, by section 4(2) of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 5 **regional council**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **remission policy**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **special consultative procedure**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **structure**: inserted, on 1 April 2011, by section 128 of the Marine and Coastal Area (Taketai Moana) Act 2011 (2011 No 3).

Section 5 **territorial authority**: substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 5 **Te Urewera Board** and **trustees**: inserted, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

## 6 Act binds the Crown

This Act binds the Crown.

### Subpart 2—Key provisions

#### *What is rateable?*

## 7 Rateable land

- (1) All land is rateable.
- (2) However, land is not rateable if this Act or another Act states that the land is non-rateable.

Compare: 1988 No 97 s 3

## 8 Non-rateable land

- (1) The land described in Part 1 of Schedule 1 is non-rateable.
- (2) Rates assessed for the land described in Part 2 of Schedule 1 must not exceed 50% of the rates that would otherwise have been assessed if the land were not described in that schedule.
- (3) Subsections (1) and (2) are subject to section 9.

Compare: 1988 No 97 ss 4–6

**9 Non-rateable land liable for certain rates**

Land to which section 8 applies is rateable for the purpose of setting a targeted rate if—

- (a) the rate is set solely for water supply, sewage disposal, or refuse collection; and
- (b) the service referred to in paragraph (a) is provided in relation to the land.

Compare: 1988 No 97 s 7

Section 9(a): amended, on 7 July 2004, by section 3 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

*Who is a ratepayer?*

**10 Who is ratepayer?**

For the purposes of this Act, a ratepayer is the person who is named as a ratepayer in the rating information database and the district valuation roll.

**11 Entry of ratepayer in rating information database and district valuation roll**

- (1) The name of the following persons must be entered in the rating information database and district valuation roll as the ratepayer in respect of a rating unit:
  - (a) the owner of the rating unit; or
  - (b) the lessee of the rating unit under a lease that—
    - (i) is registered, after the commencement of this section, under section 91 of the Land Transfer Act 2017; and
    - (ii) is for a term (including renewals) of not less than 10 years; and
    - (iii) provides that the lessee must be entered in the rating information database and the district valuation roll as the ratepayer in respect of the unit.
- (2) The name of a person who is a lessee of a rating unit must be entered in the rating information database and district valuation roll as the ratepayer in respect of the unit if—
  - (a) the name of the person was, immediately before the commencement of this section, entered in the district valuation roll as the occupier of a separately rateable property under the Rating Powers Act 1988 that substantially corresponds with the rating unit entered in the rating information database; and
  - (b) the person is a party to a lease or licence with the owner—
    - (i) that was entered into by the owner and the person before 8 August 2001; and
    - (ii) remains in force; and
    - (iii) either—

- (A) precludes the renegotiation of rent or any other payments that would allow the owner to be reimbursed if the owner were directly liable to pay the rates due on the unit; or
  - (B) is a lease registered under section 91 of the Land Transfer Act 2017.
- (3) Subsection (1) is subject to subsection (2).
- (4) For the purposes of subsection (2), it is sufficient evidence, unless the contrary is proved, that the person referred to in that subsection must be named in the rating information database and the district valuation roll if,—
  - (a) in the case of a lease under subsection (2)(b)(iii)(A), the owner has provided a statutory declaration to the local authority that those provisions apply:
  - (b) in the case of a lease under subsection (2)(b)(iii)(B), the owner has provided a certified copy of the record of title in relation to the unit that shows the lease has been registered.
- (5) For the purposes of subsection (2)(b)(ii), a lease must be treated as remaining in force if the lessee has exercised a right to renew the lease on the same terms and conditions.
- (6) In this section, **lessee** includes a person to whom the lessee transfers or assigns the lessee's interest in the lease.

Section 11(1)(b)(i): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 11(2)(b)(iii)(B): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 11(4)(b): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

### *Who must pay rates?*

## **12 Liability for rates**

- (1) The ratepayer for a rating unit is liable to pay the rates that are due on the unit.
- (2) However, a person other than the ratepayer may become liable to pay the rates in the circumstances set out in sections 61 and 62.

Compare: 1988 No 97 s 121

### *What kinds of rates may be set?*

## **13 General rate**

- (1) A local authority may set a general rate for all rateable land within its district.
- (2) A general rate may be set—
  - (a) at a uniform rate in the dollar of rateable value for all rateable land; or

- (b) at different rates in the dollar of rateable value for different categories of rateable land under section 14.
- (3) For the purposes of this section, the **rateable value** of the land—
  - (a) must be—
    - (i) the annual value of the land; or
    - (ii) the capital value of the land; or
    - (iii) the land value of the land; and
  - (b) must be identified in the local authority's funding impact statement as the value for setting a general rate.

Compare: 1988 No 97 ss 12–15, 33, 43, 48

Section 13(3)(b): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

#### **14 Categories of rateable land for setting general rate differentially**

For the purposes of section 13(2)(b), categories of rateable land are categories that—

- (a) are identified in the local authority's funding impact statement as categories for setting the general rate differentially; and
- (b) are defined in terms of 1 or more of the matters listed in Schedule 2.

Compare: 1988 No 97 Part 5

Section 14(a): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

#### **15 Uniform annual general charge**

- (1) A local authority may set a uniform annual general charge for all rateable land within its district, being—
  - (a) a fixed amount per rating unit; or
  - (b) a fixed amount per separately used or inhabited part of a rating unit.
- (2) A uniform annual general charge is a rate for the purposes of this Act.

Compare: 1988 No 97 s 19

#### **16 Targeted rate**

- (1) A local authority may set a targeted rate for 1 or more activities or groups of activities if those activities or groups of activities are identified in its funding impact statement as the activities or groups of activities for which the targeted rate is to be set.
- (2) *[Repealed]*
- (3) A targeted rate may be set in relation to—
  - (a) all rateable land within the local authority's district; or
  - (b) 1 or more categories of rateable land under section 17.



- (4) A targeted rate may be set—
- (a) on a uniform basis for all rateable land in respect of which the rate is set;  
or
  - (b) differentially for different categories of rateable land under section 17.

Section 16(1): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 16(2): repealed, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **17 Categories of rateable land for setting targeted rate**

For the purposes of section 16(3)(b) and (4)(b), categories of rateable land are categories that—

- (a) are identified in the local authority's funding impact statement as categories for setting the targeted rate; and
- (b) are defined in terms of 1 or more of the matters listed in Schedule 2.

Compare: 1988 No 97 ss 17, 20, 26–31, 34, 39, 40, 44, 49

Section 17(a): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **18 Calculating liability for targeted rate**

- (1) The calculation of liability for a targeted rate set under section 16 must utilise only a factor or factors that—
  - (a) are identified in the local authority's funding impact statement as factors that must be used to calculate the liability for the targeted rate; and
  - (b) are listed in Schedule 3.
- (2) Despite subsection (1), the liability for a targeted rate may be calculated as a fixed amount per rating unit.
- (3) To avoid doubt, if targeted rates are set differentially, the rates concerned do not have to be calculated using the same factors for each category of land.

Section 18(1)(a): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **19 Targeted rate for water supply**

- (1) A local authority may set a targeted rate in accordance with its funding impact statement for the quantity of water provided by the local authority.
- (2) A targeted rate under subsection (1) may be calculated—
  - (a) as a fixed charge per unit of water consumed or supplied; or
  - (b) according to a scale of charges.

Compare: 1988 No 97 s 27

Section 19(1): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

**20 Rating units in common ownership**

Two or more rating units must be treated as 1 unit for setting a rate if those units are—

- (a) owned by the same person or persons; and
- (b) used jointly as a single unit; and
- (c) contiguous or separated only by a road, railway, drain, water race, river, or stream.

*Maximum revenue from certain rates***21 Certain rates must not exceed 30% of total rates revenue**

- (1) The rates revenue sought by a local authority in any year from the rates described in subsection (2) must not exceed 30% of the total revenue from all rates sought by the local authority for that year.
- (2) The rates are—
  - (a) uniform annual general charges that are set in accordance with section 15; and
  - (b) targeted rates that are set on a uniform basis and are calculated in accordance with section 18(2) or clause 7 of Schedule 3.
- (3) Subsection (2) does not apply to targeted rates that are set solely for water supply or sewage disposal.

Compare: 1988 No 97 s 25

**22 Defence land**

- (1) This section applies to land owned or used by the Crown as an air force base, army camp, naval establishment, or other defence area within the meaning of section 2(1) of the Defence Act 1990.
- (2) The total amount of any rates assessed under section 13(2) or section 16 must not exceed the amount of rates that would otherwise have been assessed if the rates for the district had been calculated on the land value only.

*How are rates set?***23 Procedure for setting rates**

- (1) Rates must be set by a resolution of the local authority.
- (2) Rates set by a local authority must—
  - (a) relate to a financial year or part of a financial year; and
  - (b) be set in accordance with the relevant provisions of the local authority's long-term plan and funding impact statement for that financial year.
- (3) A local authority may set a rate that is not provided for in its long-term plan and funding impact statement only if—

- (a) the local authority is satisfied that the rate is required to meet an unforeseen and urgent need for revenue that cannot reasonably be met by any other means, having regard to the manner in which it has, in its long-term plan and funding impact statement allocated the costs of the activities or groups of activities to which the need for revenue relates; and
  - (b) the local authority has given at least 14 days' public notice of its intention to set the rate.
- (4) Notice under subsection (3)(b) must include—
- (a) the information in relation to the rate that would otherwise have been required to be included in the local authority's funding impact statement; and
  - (b) a statement of the nature of the unforeseen and urgent need for revenue and the reasons why that need cannot reasonably be met by any other means, having regard to the manner in which the local authority has, in its long-term plan, allocated the costs of the activities or groups of activities to which the need for revenue relates.
- (5) A local authority must, within 20 working days after making a resolution, make the resolution publicly available on an Internet site maintained by it or on its behalf to which the public has free access.

Compare: 1988 No 97 ss 109–111

Section 23(2)(b): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 23(2)(b): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 23(3): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 23(3): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 23(3)(a): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 23(4): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 23(4)(b): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 23(5): replaced, on 21 March 2019, by section 32 of the Local Government Regulatory Systems Amendment Act 2019 (2019 No 6).

## **24 Due date or dates for payment**

A local authority must state, in the resolution setting a rate,—

- (a) the financial year to which the rate applies; and
- (b) the date on which the rate must be paid or, if the rate is payable by instalments, the dates by which the specified amounts must be paid.

Compare: 1988 No 97 ss 109(1)(c), 124, Part 9

*Regulations relating to rating of educational establishments***25 Regulations relating to rating of educational establishments**

- (1) The Governor-General may, by Order in Council, make regulations prescribing how local authorities may assess rates for sewage disposal under section 9 in relation to the land referred to in clause 6(a) or (b) of Part 1 of Schedule 1.
- (2) Regulations—
  - (a) may not be made before 1 July 2005; and
  - (b) may be made only on the recommendation of the Minister; and
  - (c) may be made only after a report that complies with section 26.
- (3) Before making a recommendation under subsection (2)(b), the Minister must consult—
  - (a) New Zealand Local Government Association Incorporated; and
  - (b) any other organisations that the Minister considers have a particular interest in the regulations.
- (4) In this section and section 26 (except paragraph (c)(i)), **Minister** means the Minister responsible for the administration of this Act.

Section 25(2): substituted, on 22 October 2003, by section 3 of the Local Government (Rating) Amendment Act 2003 (2003 No 83).

**26 Report of Ministerial review of rating practice in relation to educational establishments**

A report complies with this section if—

- (a) the report is made by the Minister; and
- (b) the report reviews the practice of local authorities, in relation to not fewer than 2 consecutive financial years,—
  - (i) in assessing rates for sewage disposal under section 9 in relation to the land referred to in clause 6(a) or (b) of Part 1 of Schedule 1; and
  - (ii) in remitting those rates; and
- (c) in preparing the report, the Minister has consulted—
  - (i) the Minister responsible for the administration of Part 8 of the Education Act 1989; and
  - (ii) New Zealand Local Government Association Incorporated; and
  - (iii) any other organisations that the Minister considers have a particular interest in the review; and
- (d) the report is presented to Parliament by the Minister.

Section 26(b): amended, on 22 October 2003, by section 4(1) of the Local Government (Rating) Amendment Act 2003 (2003 No 83).

Section 26(c)(i): amended, on 22 October 2003, by section 4(2) of the Local Government (Rating) Amendment Act 2003 (2003 No 83).

## **Part 2**

### **Rating information database and rates records**

#### *Rating information database*

#### **27 Rating information database**

- (1) A local authority must keep and maintain a rating information database.
- (2) The database may be kept and maintained in written or electronic form, or both.
- (3) The purpose of the database is—
  - (a) to record all information required for setting and assessing rates; and
  - (b) to enable a local authority to communicate with ratepayers; and
  - (c) to enable members of the public to have reasonable access to the information in the database relating to the calculation of liability for rates.
- (4) The database must include, in relation to each rating unit within the local authority's district,—
  - (a) all information that relates to the unit that is included in the district valuation roll for the district; and
  - (b) all information that relates to the unit that is required to—
    - (i) determine the category (if any) to which the unit belongs for setting a general rate in accordance with section 13(2)(b); or
    - (ii) determine the category (if any) to which the unit belongs for setting a targeted rate in accordance with section 16(3)(b) or (4)(b); or
    - (iii) calculate the amount of liability for a targeted rate under section 18; and
  - (c) any information required under section 117K(1) that relates to the unit.
- (5) The information in subsection (4) may be recorded separately for different parts of a rating unit if separate records are necessary because of different rating treatment of each part resulting from:
  - (a) the inclusion of different parts in different categories under subsection (4)(b)(i) or (ii);
  - (b) the application of Part 1 or Part 2 of Schedule 1 to one or more parts of the rating unit;

- (c) the application of a remission policy, a postponement policy, or a rates relief policy for Māori freehold land to 1 or more parts of the rating unit.
- (6) The rating information database must be maintained so that it may be searched according to—
  - (a) the reference number of the unit; or
  - (b) the address of the unit; or
  - (c) any other search reference that is set out in a code of practice issued under section 63 of the Privacy Act 1993.
- (7) This section does not prevent a regional council from—
  - (a) keeping a rating information database in separate parts for the constituent districts of the region; and
  - (b) delegating the function of maintaining those parts to the territorial authorities concerned.

Compare: 1988 No 97 s 105(4), (5)

Section 27(4)(b)(iii): amended, on 28 June 2006, by section 5 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 27(4)(c): added, on 28 June 2006, by section 5 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

## **28 Inspection of rating information database**

- (1) The rating information database must be available for inspection—
  - (a) at the principal public office of the local authority and any other place that the local authority considers necessary in order to provide reasonable access to all ratepayers and residents of the district; and
  - (b) during ordinary office hours or the hours at which the place is open to the public.
- (2) The copy of the rating information database that is made available for inspection must not include the name of any person (unless it is necessary to identify the rating unit) or any address other than the street address of the rating unit.
- (3) No fee is payable for inspecting the rating information database, but a person may be charged a reasonable fee for being supplied with a copy of the particulars.
- (4) The local authority must, during the month of May, give public notice that the rating information database is available for inspection and of the place and times it may be inspected.
- (5) In addition to the notice required under subsection (4), a local authority may notify ratepayers at any other time it considers appropriate and by any means it thinks fit.

Compare: 1988 No 97 ss 108, 110(3)

**28A Inspection of complete rating information database**

- (1) In this section, and sections 28B to 28D, **database** means the database—
  - (a) that the local authority must make available under subsection (2); and
  - (b) that contains the information required under subsection (3).
- (2) For the purpose of inspecting any information in relation to a particular rating unit, a copy of the local authority's complete rating information database must be—
  - (a) available to any person—
    - (i) at the principal public office of the local authority; and
    - (ii) during office hours; and
  - (b) accessible to the person by the person—
    - (i) accessing the database by himself or herself; or
    - (ii) requesting an officer of the local authority to provide the information.
- (3) The rating information database made available under subsection (2) must include, for each rating unit in the district, all the information that the local authority holds in its rating information database in relation to that rating unit, including—
  - (a) the name of the owner of the rating unit; and
  - (b) the postal address of the owner of the rating unit.
- (4) The local authority may make the database or any part of it available at any other office of the local authority, but only in the same manner as it is accessible by people at the principal public office.
- (5) No fee is payable for inspecting any database made available under this section, but a person may be charged a reasonable fee for being supplied with a copy of the particulars.
- (6) For the avoidance of doubt, a person may make, at the same inspection of the database, a series of requests about particular rating units, as long as the requests are—
  - (a) related; and
  - (b) for purposes other than for the bulk collection of the names or postal addresses (or both) of people included in the database.
- (7) This section—
  - (a) overrides sections 27(3) and 28; and
  - (b) is modified by section 28D.

Section 28A: inserted, on 7 July 2004, by section 4 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

**28B Local authority must inform owners of right to withhold certain information from database**

The local authority—

- (a) must, by written notice, inform every owner included in its rating information database, annually, that he or she has the right under section 28C to request the local authority to withhold his or her name or postal address (or both) from the database; and
- (b) may give the written notice in conjunction with any other rates information the local authority is required to provide.

Sections 28B: inserted, on 7 July 2004, by section 4 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

**28C Owner entered on database may require local authority to withhold information from database**

- (1) An owner whose particulars are included on the database may request the local authority to withhold his or her name or postal address (or both) from the database.
- (2) An owner who makes a request under subsection (1)—
  - (a) must make the request in writing; but
  - (b) is not required to provide reasons for the request.
- (3) On receipt of a request, the local authority must, as soon as practicable,—
  - (a) remove the relevant particulars from the database; and
  - (b) notify the owner who made the request of the removal of his or her particulars.
- (4) An owner whose particulars have been removed from the database may, at any time by written notice, revoke the request. The local authority must then, as soon as practicable, restore those particulars to the database.

Section 28C: inserted, on 7 July 2004, by section 4 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

**28D Transitional provision for local authority to establish database**

- (1) Every local authority must make available for inspection its first database before 31 December 2005.
- (2) For the purposes of this section, each local authority must inform every owner included in its rating information database of the right of the owner to request the withholding of his or her name or postal address (or both) from the database.
- (3) The notice under subsection (2)—
  - (a) must be in writing; and
  - (b) must be made before 31 October 2005; and



- (c) may be made in conjunction with any other rates information the local authority is required to provide.

Sections 28D: inserted, on 7 July 2004, by section 4 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

## 29 Objections to rating information database

- (1) A person who is named in the rating information database as a ratepayer may object to the information contained in the database on 1 or more of the following grounds:
- (a) that a rating unit included in the district valuation roll has been omitted from the database:
  - (b) that information included in the district valuation roll has been omitted from, or inaccurately entered in, the database:
  - (c) that information included in the database, other than information entered from the district valuation roll, is incorrect:
  - (d) that there has been a failure to enter a lawful amendment to the district valuation roll into the database.
- (2) Objections must be lodged with the local authority.
- (3) A local authority must notify the objector in writing of its decision on an objection and, if the objection is upheld,—
- (a) correct the entry in the rating information database; and
  - (b) advise the ratepayer that the correction has been made.
- (4) A person may not object under this section to the correctness or otherwise of any information contained in the database that relates to an objection to the valuation of a rating unit under the Rating Valuations Act 1998.
- (5) Subsection (4) is for the avoidance of doubt.

Compare: 1988 No 97 s 116

Section 29(4): added, on 28 June 2006, by section 6 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 29(5): added, on 28 June 2006, by section 6 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

### *Notification of change in circumstances*

## 30 Interpretation

In sections 31 to 36, **relevant local authority** means—

- (a) the territorial authority in whose district the rating unit is situated; and
- (b) if the rating unit is situated in the region of a regional council, the regional council.

**31 Notification of change of ownership of rating unit**

- (1) If an owner of a rating unit sells or otherwise transfers the unit, or any part of the unit, the owner must notify the relevant local authority of the sale or transfer within 1 month after the effective date of the sale or transfer.
- (2) Notice under subsection (1) must include—
  - (a) the full name and address of the purchaser or transferee; and
  - (b) in the case of a sale, the sale price.
- (3) If a person becomes the owner of a rating unit by the operation of law (including the creation of a joint family home), the person must, within 1 month after the registration of the instrument under which the person became the owner, or one of the owners of the unit, notify the relevant local authority of the following matters:
  - (a) that he or she is the owner of the rating unit;
  - (b) his or her full name and address.
- (4) If a solicitor or other authorised agent acted on behalf of the owner under subsection (1) or the person registering the instrument under subsection (3), the solicitor or agent must give the notice concerned.

Compare: 1988 No 97 s 106(2)–(4)

**32 Notification of surrender or termination of lease or licence**

- (1) The owner of a rating unit who has made a statutory declaration under section 11(4)(a), or provided a certified copy of the record of title under section 11(4)(b) must notify the local authority if—
  - (a) the lease or licence in relation to which the declaration has been made, or record of title applies, has been surrendered or terminated; or
  - (b) an opportunity to renegotiate the rent or other payments has occurred.
- (2) A person who is a ratepayer under section 11(2) may notify the local authority (by means of a statutory declaration) of the matters set out in subsection (1).
- (3) Notice given under subsection (1) or subsection (2) is, unless the contrary is proved, sufficient evidence that the owner of the rating unit must be named as the ratepayer for that unit in the rating information database and the district valuation roll.

Section 32(1): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 32(1)(a): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

**33 Notification of transfer or assignment of lease or licence**

- (1) If any person who is a ratepayer under section 11(2) transfers or assigns the lease or licence referred to in that section, the person must notify the relevant

local authority of the transfer or assignment within 1 month after the effective date of the transfer or assignment.

- (2) A local authority that receives notice under subsection (1) must update the rating information database accordingly.

**34 Effect of notice on liability for rates**

Notice given under sections 31 to 33 does not release any person from liability for any rates that are due before the notice is given.

Compare: 1988 No 97 s 106(7)

**35 When name of ratepayer entered in rating information database may be removed**

The name of a person who is entered as a ratepayer in the rating information database must not be removed unless—

- (a) notice has been given to the relevant local authority under sections 31 to 33; or  
(b) the relevant local authority is satisfied that the name has been removed from the land transfer register, if the entry relates to a rating unit that is entered in that register.

**36 Notification of change of name**

- (1) A person whose name is entered in the rating information database as a ratepayer in respect of a rating unit must notify the relevant local authority of a change in his or her name if—

- (a) the entry relates to a rating unit that is entered in the land transfer register; and  
(b) the person has registered his or her change of name in that register.

- (2) A person to whom subsection (1) applies must notify the relevant local authority within 1 month of the registration of those particulars in the land transfer register, and the rating information database must be updated accordingly.

Compare: 1988 No 97 s 106(8)

*Rates records*

**37 Rates records**

- (1) A local authority must keep and maintain a rates record for each rating unit in its district that clearly shows—

- (a) the amount of the ratepayer's liability for rates in respect of that unit; and  
(b) any information required under section 117K(2) that relates to the unit.

- (2) Rates records may be kept and maintained in written or electronic form, or both.

- (3) If a rates record includes any information that is referred to in section 27(4), the local authority must ensure that the information is consistent with the current entry in the rating information database for the unit.

Compare: 1988 No 97 s 113

Section 37(1): substituted, on 28 June 2006, by section 7 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

### **38 Inspection of rates records**

- (1) The following persons may inspect the rates record for a rating unit:
- (a) the ratepayer;
  - (b) a person who is authorised by the ratepayer to do so;
  - (c) a person who has become liable to pay the rates in respect of the unit under section 61 or section 62;
  - (d) a solicitor, a person (not being a lawyer) who provides conveyancing services, a real estate agent, or any other person, who—
    - (i) is a party to (or acting as an agent for a party to) a transaction relating to the rating unit; and
    - (ii) reasonably requires the information in the rates record for the purposes of the transaction;
  - (e) any member of the public with respect to rates assessed, but not including arrears, remissions, or postponed rates.
- (2) The rates records must be available for inspection—
- (a) at the principal public office of the local authority and any other place that the local authority considers necessary in order to provide reasonable access to all ratepayers and residents of the district; and
  - (b) during ordinary office hours or the hours at which the place is open to the public.
- (3) For the purposes of this section, a local authority may request from a person, by any reasonable means that the local authority considers appropriate, confirmation that he or she—
- (a) falls within the class of people described in subsection (1)(d)(i); and
  - (b) reasonably requires the information in the rates record for the purposes of subsection (1)(d)(ii).

Compare: 1988 No 97 s 115

Section 38(1)(d): substituted, on 7 July 2004, by section 5(1) of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

Section 38(3): added, on 7 July 2004, by section 5(2) of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

### **39 Objection to rates records**

- (1) A ratepayer, or a person who has become liable to pay rates under section 61 or section 62, may object to the information contained in the rates records on either or both of the following grounds:
  - (a) that the rates are incorrectly calculated;
  - (b) that the rates balance shown in respect of the rating unit is incorrect.
- (2) Objections must be lodged with the local authority.
- (3) A local authority must notify the ratepayer in writing of its decision on an objection and, if the objection is upheld, correct the entry in the rates record accordingly.

Compare: 1988 No 97 s 116

### **40 Local authority may correct errors in rating information database and rates records**

A local authority may correct an error in the rating information database or rates records even though an objection has not been made.

Compare: 1988 No 97 s 117

### **41 Amended assessment if error in rating information database or rates record is corrected**

- (1) A local authority must issue an amended rates assessment in substitution for the original assessment if it has delivered a rates assessment for a financial year and, within 5 years after the last day of that year,—
  - (a) an error in the rating information database or rates record in respect of the rating unit concerned is corrected in accordance with section 29, section 39, or section 40; and
  - (b) the correction gives rise to a difference between the amount of rates that was originally assessed and the amount that would have been payable if the information entered in the rating information database or on the rates assessment had been correct.
- (2) If the amended rates assessment under subsection (1) is for an amount of rates that is less than the amount originally assessed, the local authority must refund to the person who paid the rates any rates paid in excess of the amount payable on the amended assessment.
- (3) If the amended rates assessment under subsection (1) is for an amount of rates that is more than the amount originally assessed and is issued in the same financial year, and to the same person, as the original assessment, that person is liable to pay the amount of the excess rates.
- (4) No person is liable for the payment of excess rates except in accordance with subsection (3).

Compare: 1988 No 97 s 118

**41A Amended assessment to give effect to objection to valuation under Rating Valuations Act 1998**

- (1) A local authority must issue an amended rates assessment for a rating unit if—
  - (a) it has issued a rates assessment in respect of the rating unit for a financial year; and
  - (b) after issuing the assessment, it has—
    - (i) altered the information in relation to the rating unit in its district valuation roll under section 39 of the Rating Valuations Act 1998 for that year; and
    - (ii) consequentially altered the information in relation to the rating unit in its rating information database for that year; and
  - (c) the alteration in the database gives rise to a difference between the amount of rates that was originally assessed and the amount that would have been payable for that year if the information entered in the database had been the information referred to in paragraph (b)(ii).
- (2) An amended assessment must be issued—
  - (a) no later than 1 month after the alteration concerned was made to the rating information database; or
  - (b) in the case of a regional council to which section 27(7) applies, no later than 1 month after the regional council receives notification of the alteration from the territorial authority concerned.
- (3) If the amended assessment is for an amount that is less than the amount originally assessed, the local authority must refund to the person who paid the rates any rates paid in excess of the amount payable on the amended assessment.
- (4) However, a local authority is not required to make a refund if it does not have the contact details of the person who paid the rates.
- (5) If the amended assessment is for an amount that is more than the amount originally assessed, the local authority may recover the excess rates payable on the amended assessment.
- (6) However, a local authority may only recover the amount if the person who paid the original assessment is also the person to whom the amended assessment is issued.

Section 41A: inserted, on 28 June 2006, by section 8 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**42 Recovery of additional rates in certain cases**

- (1) Despite section 41(4), a local authority may recover additional rates from a ratepayer if—
  - (a) there has been a change in any matter affecting the liability of the ratepayer to pay rates; and

- (b) the ratepayer has failed to notify the local authority of a change in circumstances in accordance with sections 31 to 33 or any other enactment, or did not do so within the required time; and
  - (c) as a result, the local authority has not collected the full amount of rates to which it was entitled for the rating unit.
- (2) The amount of the additional rates recovered under subsection (1) must be calculated in accordance with the following formula:
- $$a - b$$
- where—
- a is the rates that would have been assessed on the rating unit if the notice had been given on time
  - b is the rates that were actually assessed on the rating unit from that time.
- (3) The local authority may add interest to the amount calculated under subsection (2) at a rate per annum fixed by the local authority, except that the interest rate, when fixed, must not exceed the rate charged to the local authority by its bank for its day-to-day cash account.
- (4) This section applies to the interest as if it were a penalty imposed under section 58.

### Part 3

## Assessment, payment, and recovery of rates and remission and postponement

### Subpart 1—Assessment, payment, and recovery

#### *Basis for assessment of rates*

#### **43 Rates must be assessed in accordance with values and factors**

- (1) Rates must be assessed in accordance with either—
- (a) a rating unit and its rateable values that are set out in the rating information database; or
  - (b) the factors relevant to a rating unit that are set out in the rating information database; or
  - (c) in the case of a targeted rate under section 19, the quantity of water provided by the local authority to the rating unit during the period specified in the resolution setting that rate.
- (2) For the purpose of subsection (1)(a) and (b), the relevant rating unit, values, or factors are those that have been corrected as at the end of the financial year immediately before the financial year for which the rates are set.

- (3) The rates are not affected by a change in the rateable value or factors of a rating unit during the financial year in which the rates are set.

Compare: 1988 No 97 s 123(1), (2)

*Notice to ratepayers of rates liability*

**44 Notice of rates assessment**

- (1) A local authority must deliver a rates assessment to a ratepayer to give notice of the ratepayer's liability for rates on a rating unit.
- (2) A ratepayer is liable for rates on a rating unit when the local authority delivers the rates assessment for that unit to the ratepayer.

Compare: 1988 No 97 s 122(1), (3)

**45 Contents of rates assessment**

- (1) A rates assessment must clearly identify all of the following:
- (a) the name and address of the local authority:
  - (b) the name and address of the ratepayer:
  - (c) the number on the district valuation roll of the rating unit:
  - (d) the legal description and location of the rating unit:
  - (e) the rateable value of the rating unit:
  - (f) the amount and a description of each rate:
  - (g) the activities or groups of activities of the local authority that will be funded from each rate:
  - (h) the relevant matters in Schedule 2 that are required to determine—
    - (i) the category (if any) to which the rating unit belongs for the purposes of setting general rates differentially under section 13(2)(b):
    - (ii) the category (if any) to which the unit belongs for the purposes of setting a targeted rate under section 16(3)(b) or (4)(b):
  - (i) information on the factors used to calculate the amount of the liability of a rating unit in respect of each targeted rate:
  - (j) the financial year for which the rates are payable:
  - (k) the total amount of rates payable on the rating unit for the financial year:
  - (l) whether or not the local authority has a remission policy, a postponement policy, or a rates relief policy for Māori freehold land and, if so, a brief description of the criteria for rates relief under each policy:
  - (m) the methods by which rates may be paid and the date or, if the rates are payable by instalments, the dates by which specified amounts must be paid:
  - (n) if applicable,—



- (i) the penalty regime of the local authority; and
    - (ii) a warning that, if rates are not paid on time, a penalty may be added under that regime:
  - (o) if an early payment of rates has been made in accordance with a policy adopted under section 56(1),—
    - (i) the rates paid and any balance remaining to be paid; and
    - (ii) the amount of any discount allowed for the early payment of the rates; and
    - (iii) any credit balance remaining after payment of all rates due, adjusted for any discount allowed:
  - (p) the right of ratepayers to—
    - (i) inspect the rating information database and rates records; and
    - (ii) object to any of the information included in the rating information database and rates records.
- (1A) If the ratepayer has elected to make a lump sum contribution to a local authority's capital project, the rates assessment must also identify the targeted rates for the financial year for which, as a result of the election, no liability attaches to the rating unit.
- (2) A rates assessment may include any other information that the local authority thinks fit.
- (3) A rates assessment may be in 2 or more parts to identify the different treatment, for rating purposes, of different parts of a rating unit.
- (4) If subsection (3) applies,—
- (a) the information required under subsection (1) must be given for each part of the assessment as if each part were a separate assessment; and
  - (b) each part must state that it is part of the rates assessment for the rating unit and identify the number of other parts that are included in the assessment.

Compare: 1988 No 97 s 122(1)

Section 45(1)(g): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 45(1A): inserted, on 28 June 2006, by section 9 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **46 Rates invoice**

- (1) If a rates payment is due for a particular period, the local authority must deliver to the ratepayer a rates invoice for the rating unit for that period.
- (2) A rates invoice must clearly identify all of the following:
  - (a) the name and address of the local authority;
  - (b) the name and address of the ratepayer;

- (c) the legal description and location of the rating unit:
  - (d) the total amount of rates payable for the financial year for the rating unit:
  - (e) the amount of rates that have been paid to date for the financial year:
  - (f) the amount payable on the current rates invoice:
  - (g) the date on which the payment is due on the current rates invoice:
  - (h) where the rates may be paid:
  - (i) if the local authority has a penalty regime,—
    - (i) a warning that, if the rates are not paid on time, a penalty may be added; and
    - (ii) if a penalty has been added in the current financial year, the amount of the penalty on any unpaid rates for the rating unit:
  - (j) the amount of any unpaid rates owing from a previous financial year for the rating unit.
- (3) A rates invoice may include any other information that the local authority thinks fit.
- (4) A local authority may deliver a separate rates invoice for any targeted rate in accordance with subsection (1).
- (5) A rates invoice delivered under subsection (4) must—
- (a) set out the matters required by subsection (2); and
  - (b) specify the rate covered by the invoice; and
  - (c) if the invoice covers a rate set under section 43(1)(c), the invoice must specify the basis of that assessment and the period for which the assessment applies.

#### **47 Issue of amended rates invoice**

- (1) If a rates invoice is incorrect as to the amount of rates payable by a ratepayer in respect of a rating unit, an amended invoice must be delivered to the ratepayer in accordance with section 46 setting out the correct liability of the ratepayer as to the amount of rates due for the rating unit.
- (2) The ratepayer's liability to pay is not affected by the fact that correction of the rates invoice is required.
- (3) If an amended rates invoice is required under subsection (1),—
- (a) there is no limit as to the time by which delivery must be made:
  - (b) penalties must not be charged on the difference between the amount stated on the incorrect rates invoice and the amount stated on the amended invoice before a date 14 days after delivery of the amended invoice.

**48 Delivery of rates assessment and rates invoice**

- (1) The rates assessment for a rating unit must be delivered to the ratepayer of the unit in accordance with section 136 before the rates invoice for any particular rates is delivered.
- (2) However, a local authority may deliver the rates invoice with the rates assessment, and is not required to deliver a separate rates invoice, if the rates assessment includes all the information required by section 46.
- (3) A rates invoice must be delivered to the ratepayer of the rating unit at least 14 days before the date on which a rates payment is due.

Compare: 1988 No 97 s 122(4)–(6)

**49 Late delivery of rates invoice**

If the rates invoice is not delivered at least 14 days before the due date, the rates payment is not due until 14 days after the rates invoice has been delivered to the ratepayer of the rating unit.

Compare: 1988 No 97 s 153(a)

**50 Rates invoice based on previous year's rates**

- (1) A local authority may deliver a rates invoice for not more than 25% of the rates that are payable in the previous year if it is not able to deliver a rates assessment at least 14 days before—
  - (a) the date on which the first payment of rates for the current year is payable in a case where the rates have been set by resolution of the local authority under section 23; or
  - (b) the date 1 calendar year after the date when the first payment of rates for the previous year was payable in a case where no resolution has been made under section 23.
- (2) A rates invoice delivered under subsection (1) must comply with section 46(2), except that, instead of the information required by paragraphs (d) and (e) of that section, the rates invoice must state that the invoice is based upon the rates payable in the previous year.

**51 Combined rates assessment and rates invoice**

- (1) If a ratepayer is liable for the payment of rates on 2 or more rating units within the same district or region, the local authority may deliver a combined rates assessment and a combined rates invoice for those rating units.
- (2) The combined rates assessment must clearly set out all the information required by section 45 as it relates to each rating unit.
- (3) The combined rates invoice must clearly distinguish the rates for each rating unit, and set out all the information required by section 46 as it relates to each unit.

Compare: 1988 No 97 s 125

*Collection of rates***52 Payment of rates**

- (1) Rates are payable at—
  - (a) any public office of the local authority; and
  - (b) any other place publicly notified or specified on the rates invoice as a place of payment.
- (2) Rates may be paid by any method that is agreed to by the local authority.

Compare: 1988 No 97 s 130

**53 One or more local authorities may appoint collector**

- (1) One or more local authorities may appoint a person or a local authority to collect the rates they assess.
- (2) A collector who acts on behalf of 2 or more local authorities may, in a single rates assessment, combine all the rates for which a ratepayer is liable to each local authority, but the rates assessment must—
  - (a) clearly distinguish the rates that are payable to each local authority; and
  - (b) set out the information required by section 45 as it relates to each local authority.
- (3) A collector who acts on behalf of 2 or more local authorities may combine in a single rates invoice all the rates payments payable by a ratepayer to each local authority for a particular period, but the rates invoice must—
  - (a) clearly distinguish the rates that are due to each local authority; and
  - (b) set out the information required by section 46 as it relates to each local authority.
- (4) A local authority and a collector may agree to any other arrangement for the delivery of rates assessments and rates invoices, and for the collection of rates, but only if the rates assessments and rates invoices meet the requirements of subsections (2) and (3) respectively.

Compare: 1988 No 97 s 126

**54 Power not to collect small amounts**

- (1) Despite the other provisions of this Act, if the rates payable on a rating unit in a financial year are, in the opinion of a local authority, uneconomic to collect, it may decide not to collect them.
- (2) If a local authority decides, under subsection (1), not to collect the rates,—
  - (a) the ratepayer of the rating unit is not liable to pay the rates; and
  - (b) no penalties may be added to the unpaid rates.
- (3) If subsection (1) applies, the local authority—

- (a) must notify the ratepayer that the local authority has decided not to collect the rates; and
- (b) may, if a rates assessment for that rating unit has not been delivered,—
  - (i) include the notice under paragraph (a) with the rates assessment; or
  - (ii) omit to deliver the rates assessment.

Compare: 1988 No 97 s 109(2)

*Provision for early payment of rates*

**55 Policy for early payment of rates in current financial year**

- (1) A local authority may adopt a policy for the payment of some or all rates that are identified in the rates assessment before the due date or dates for those rates in the current financial year.
- (2) A policy adopted under subsection (1)—
  - (a) must be adopted using the special consultative procedure; and
  - (b) may be included in the long-term plan.
- (3) A policy adopted under this section may provide for the local authority to discount the amount of the rates if payment is made by a specified date before the due date or dates.

Compare: 1988 No 97 s 131

Section 55(2)(b): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 55(2)(b): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

**56 Policy for payment of rates for subsequent financial year**

- (1) A local authority may adopt a policy for the payment of rates in anticipation of rates for subsequent financial years.
- (2) A policy of the kind referred to in subsection (1) may provide for either or both of the following circumstances:
  - (a) any sum may be paid in a financial year in anticipation of a liability for general rates in subsequent financial years;
  - (b) any sum may be paid in a financial year in anticipation of a liability for 1 or more targeted rates, or for targeted rates for 1 or more specified activities or groups of activities, in subsequent financial years.
- (3) If rates are paid in accordance with a policy adopted under subsection (1), the local authority must credit the payment in accordance with the policy and the instructions, if any, of the person making the payment.
- (4) Section 55(2) and (3) applies, with the necessary modifications, to a policy adopted under this section.

- (5) To avoid doubt, payments made under this section must be credited against future rates, whether or not the policy under which the payment was made is still in force when the rates are assessed.

Compare: 1988 No 97 Part 4, s 131

Section 56(2)(b): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### *Penalties*

#### **57 Penalties on unpaid rates**

- (1) A local authority may, by resolution, authorise penalties to be added to rates that are not paid by the due date.
- (2) A resolution made under subsection (1) must—
- (a) be made not later than the date when the local authority sets the rates for the financial year; and
  - (b) state—
    - (i) how the penalty is calculated; and
    - (ii) the date that the penalty is to be added to the amount of the unpaid rates.
- (3) A penalty must not—
- (a) exceed 10% of the amount of the unpaid rates on the date when the penalty is added; or
  - (b) be added to rates postponed under section 87 until the rates become payable.

Compare: 1988 No 97 s 132(1)–(3)

#### **58 Imposition of penalty**

- (1) A local authority may impose the following types of penalty:
- (a) a penalty on rates assessed in the financial year for which the resolution is made and that are unpaid after the due date for payment (or after a later date if so specified);
  - (b) a further penalty on rates assessed in any financial year and that are unpaid on whichever day is the later of—
    - (i) the first day of the financial year for which the resolution is made; or
    - (ii) 5 working days after the date on which the resolution is made;
  - (c) a further penalty on rates to which a penalty has been added under paragraph (b), if the rates are unpaid 6 months after that penalty was added.
- (2) The amount of unpaid rates to which a penalty may be added includes—
- (a) a penalty previously added to unpaid rates under this section; or

- (b) additional charges added to unpaid rates under section 132 of the Rating Powers Act 1988; or
- (c) rates levied under the Rating Powers Act 1988 that remain unpaid.

Compare: 1988 No 97 s 132(4), (5)

*Recovery of unpaid rates*

**59 Rates are charge against rating unit**

Rates assessed in respect of a rating unit are a charge against that unit.

Compare: 1988 No 97 s 136

**60 Invalidity of rates not ground for refusal to pay rates**

A person must not refuse to pay rates on the ground that the rates are invalid unless the person brings proceedings in the High Court to challenge the validity of the rates on the ground that the local authority is not empowered to set or assess the rates on the particular rating unit.

Compare: 1988 No 97 s 138

*Recovery from persons other than owner*

**61 Default by person other than owner**

- (1) If a ratepayer other than the owner, as described in section 11(2), defaults in paying the rates on the rating unit, the local authority may recover the rates from the owner of the rating unit.
- (2) An owner who pays the unpaid rates under subsection (1) may—
  - (a) recover that amount from the ratepayer as a debt; or
  - (b) retain that amount from any money that the owner owes to the ratepayer.

Compare: 1988 No 97 s 143(3)

**62 Recovery of rates if owner in default**

- (1) If an owner defaults in paying the rates, the local authority may—
  - (a) notify persons with an interest in the rating unit for which the rates are payable (including an interest as first mortgagee) of—
    - (i) the fact of the default; and
    - (ii) the provisions of this section; and
  - (b) accept payment of the rates from the persons referred to in paragraph (a); or
  - (c) recover, as a debt from the first mortgagee of a rating unit, the rates payable in respect of the rating unit that remain unpaid on a date that is—
    - (i) not less than 3 months after notice has been given to that person under paragraph (a); and

- (ii) not earlier than 1 November in the financial year following the year in which the rates were first assessed.
- (2) A person (other than a mortgagee) who pays the unpaid rates under subsection (1) may—
  - (a) recover that amount from the owner as a debt; or
  - (b) retain that amount from any money that that person pays to the owner in respect of a debt other than that relating to unpaid rates.
- (3) If a mortgagee pays the unpaid rates under subsection (1), the amount paid must be treated as part of the money secured by the mortgage until it is repaid to the mortgagee, and the provisions of the mortgage apply to that amount.
- (4) This section does not affect any agreement between persons about their liability as between themselves to pay the rates for a rating unit.

Compare: 1988 No 97 s 139(1), (3), (4), (6)

### *Legal proceedings to recover rates*

#### **63 Legal proceedings to recover rates**

- (1) A local authority may commence proceedings in a court of competent jurisdiction to recover as a debt rates unpaid for 4 months after the due date for payment.
- (2) In any proceedings under subsection (1), the local authority may recover any other unpaid rates in respect of the same rating unit if the rates became due not earlier than 1 month before the proceedings were commenced.
- (3) A court constituted under the District Court Act 2016 has jurisdiction to hear and determine proceedings under this Act for the recovery of rates, whatever the amount of the debt involved.

Compare: 1988 No 97 ss 137, 143(3)

Section 63(3): amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

#### **64 Service of summons**

- (1) If a ratepayer who is liable for unpaid rates is absent from New Zealand, but has an agent or attorney in New Zealand, it is sufficient to serve a summons on his or her agent or attorney.
- (2) A summons may be served by public notice if the ratepayer liable for the rates—
  - (a) is unknown or absent from New Zealand or cannot be found after due inquiry; and
  - (b) has no known agent or attorney in New Zealand.
- (3) A court of competent jurisdiction may give judgment against the ratepayer—
  - (a) by name; or



- (b) under the designation of “the ratepayer of the land”.
- (4) Subsection (3)(b) does not apply unless the court is satisfied that—
  - (a) the ratepayer is unknown, absent, or cannot be found after due inquiry; and
  - (b) the summons has been served by public notice under subsection (2).
- (5) The cost of publicly notifying the summons may be added to the unpaid rates.  
Compare: 1988 No 97 ss 140, 141

### **65 Limitation of time for recovery of rates**

- (1) An action to recover unpaid rates must not be commenced in a court of competent jurisdiction later than 6 years after—
  - (a) the date on which the rates became due if the local authority required the rates to be paid in 1 payment in a financial year; or
  - (b) the date on which the last payment became due if the local authority required the rates to be paid in a number of payments in a financial year.
- (2) If the local authority postpones the requirement to pay rates in whole or in part and the postponed rates are not subsequently written off, an action to recover unpaid postponed rates must not be commenced in a court of competent jurisdiction later than 6 years after the date or event to which the rates were postponed.
- (3) This section applies to rates set and assessed under this Act or made and levied under the Rating Powers Act 1988.  
Compare: 1988 No 97 s 142

### **66 Registration of charging order for judgment for rates**

- (1) Despite rule 17.52 of the High Court Rules 2016, a charging order issued under rule 17.41 or 17.42 for a judgment of rates, and registered against a rating unit under rule 17.48, continues in force until a memorandum of satisfaction is registered under rule 17.51.
- (2) The Limitation Act 2010 applies to subsection (1).
- (3) If a charging order for a judgment for rates is registered against a rating unit, the ratepayer must not register a dealing against the unit without the consent of the local authority.
- (4) This section applies to a charging order made under this Act or under the Rating Powers Act 1988.
- (5) This section and sections 67 to 83 do not apply to Māori freehold land or to the rates payable in respect of Māori freehold land.  
Compare: 1988 No 97 s 143(1), (2)  
Section 66(1): replaced, on 18 October 2016, by section 183(c) of the Senior Courts Act 2016 (2016 No 48).  
Section 66(2): amended, on 1 January 2011, by section 58 of the Limitation Act 2010 (2010 No 110).

*Rating sales and leases***67 Enforcement of judgment**

- (1) If payment is not made to satisfy a judgment for rates (including any costs, interest, and disbursements) within 3 months after the date of the judgment, the local authority may apply, in accordance with subsection (2), to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.
- (2) The local authority must forward to the Registrar—
  - (a) a certificate, signed and dated by the chief executive officer of the local authority, stating—
    - (i) the date of the judgment;
    - (ii) the amount of the judgment given against the ratepayer or other person;
    - (iii) the name of the ratepayer or other person;
    - (iv) the address of the rating unit that is subject to the judgment and its legal description and location; and
  - (b) the fee as fixed by regulations made under section 156 of the Senior Courts Act 2016.
- (3) Subsection (1) does not apply to land that is subject to enactments that prohibit the alienation or transfer of that land.
- (4) However, despite those enactments, the local authority may—
  - (a) offer that land, or part of it, for lease under this section on terms that produce a yearly rent equivalent to the amount of rates payable on the whole of the land, together with 5% added for the recovery of expenses; or
  - (b) if the ratepayer has an estate or interest in other land that is not subject to an enactment of the kind referred to in subsection (3), register a charging order on, and transfer the power to sell, that other land, or part of it, to produce the amount required to recover the unpaid rates, together with 5% added for the recovery of expenses.
- (5) Despite any other enactment, in the case of land that requires the consent of a Minister of the Crown before it may be leased, consent is not required for a lease under this section.

Compare: 1988 No 97 s 144(1)

Section 67(2)(a): amended, on 7 July 2004, by section 6 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

Section 67(2)(b): amended, on 1 March 2017, by section 183(b) of the Senior Courts Act 2016 (2016 No 48).

**68 Rating sale or lease**

- (1) As soon as possible after receiving the certificate and fee required under section 67, the Registrar must give notice of the matters prescribed by subsection (2) to all persons whom the Registrar believes have an interest in the rating unit.
- (2) The notice required under subsection (1) must state that the rating unit—
  - (a) is subject to a judgment for unpaid rates; and
  - (b) will be sold or leased unless, within 6 months after the date of the notice, payments are made to the High Court of—
    - (i) the amount of the judgment and costs; and
    - (ii) interest fixed by the local authority on the amount of the judgment and costs; and
    - (iii) all rates due on the unit up to the date of payment; and
    - (iv) the Registrar's charges.

Compare: 1988 No 97 s 144(2)

**69 Service of notice**

The notice required under section 68 must be served in one of the following ways:

- (a) by personal service:
- (b) by being left at, or posted to, the usual address of the person receiving the notice:
- (c) if the person receiving the notice is absent from New Zealand, but has an agent or attorney in New Zealand, by being served on the agent or attorney:
- (d) if the usual address of the person receiving the notice is unknown, by being publicly notified.

Compare: 1988 No 97 s 144(3)

**70 Rating unit may be sold or leased**

- (1) If all the amounts set out in section 68(2)(b) have not been paid within 6 months after the date of the notice that is required under section 68(1), the Registrar of the High Court may, in accordance with sections 71 to 74, sell or lease the rating unit.
- (2) The Registrar may charge a fee for the sale or lease of the rating unit that is fixed by regulations made under section 156 of the Senior Courts Act 2016.
- (3) The Registrar may charge the fee, and require the fee to be paid, before the work required of the Registrar in effecting the sale or lease is begun.

Compare: 1988 No 97 s 144(4)–(6)

Section 70(2): amended, on 1 March 2017, by section 183(b) of the Senior Courts Act 2016 (2016 No 48).

Section 70(3): inserted, on 1 March 2017, by section 4 of the Local Government (Rating) Amendment Act 2016 (2016 No 65).

## **71 How rating sale or lease must be conducted**

- (1) A sale or lease to which section 70(1) applies must be by public auction or public tender.
- (2) Without limiting the powers of the Registrar, the Registrar may—
  - (a) place a reserve on the rating unit; or
  - (b) refuse any tender; or
  - (c) bid for and buy the unit at the auction; or
  - (d) put the unit up for sale or lease as often as may be required until it is sold or leased.
- (3) The purchaser or the lessee of the rating unit is the highest bidder at the auction or the highest tenderer, as the case may be, if—
  - (a) the bid equals or exceeds the amount required to pay the unpaid rates and the costs incurred; and
  - (b) the highest bidder or tenderer has complied with all conditions precedent (if any) that are set by the Registrar.
- (4) Subsection (3) is subject to any rights reserved by the Registrar under subsection (2).

Compare: 1988 No 97 s 146(1)(a), (c)

## **72 Further powers and duties of Registrar**

- (1) Despite section 71, if the Registrar has placed a reserve on the rating unit and the unit is not sold or leased by public auction or public tender, the Registrar may, with the consent of the local authority, sell or lease the unit by private treaty for any consideration that the Registrar thinks reasonable.
- (2) The Registrar must fix the term of a lease under this section, the total term of which (including any renewals) must not exceed 14 years.
- (3) The Registrar may include covenants and conditions that he or she considers are fair and equitable.

Compare: 1988 No 97 s 146(1)(a), (d), (e)

## **73 Execution of documents for rating sale or lease**

- (1) In the case of a sale made under section 71 or section 72, when the purchase price has been fully paid, the Registrar must—
  - (a) execute, under the seal of the High Court, a memorandum of transfer on behalf of the ratepayer whose interest has been sold; and
  - (b) note on the transfer that the rating unit has been sold under this Act.

- (2) In the case of a lease made under section 71 or section 72, when the preconditions to the execution of the lease have been complied with, the Registrar must—
- (a) execute the lease, under the seal of the High Court, on behalf of the ratepayer whose interest has been leased; and
  - (b) note on the lease that the rating unit has been leased under this Act.
- (3) When the transfer or lease has been executed, the purchaser or lessee, as the case may be, is entitled to obtain possession of the rating unit purchased or leased.

Compare: 1988 No 97 s 146(1)(g), (h)

#### **74 Presumption of valid rating sale or lease**

- (1) A rating sale or lease made under this Act is valid for all purposes, even if there has been an irregularity in the conduct of the sale or lease.
- (2) No purchaser or lessee is obliged to inquire whether the sale or lease was properly conducted.

Compare: 1988 No 97 s 146(1)(i)

#### **75 Application of proceeds of rating sale or lease**

The proceeds of a sale or lease under section 71 or section 72 must be applied in the following order:

- (a) the Registrar's fee (unless the fee has already been paid);
- (b) the judgment, and any interest, costs, and disbursements;
- (c) any other unsatisfied judgment for rates for the same rating unit, with any interest, costs, and disbursements;
- (d) any other rates due at the date of the sale or lease of the same rating unit, whether or not those rates are still recoverable under section 65 (including, in the case of a lease, the rates (if any) that are or become due on the unit from the person on whose behalf the unit was leased while the Registrar received rents from it);
- (e) any encumbrance on the rating unit;
- (f) any other unsatisfied judgment for rates on other rating units in the district (if the person against whom the judgment is entered is the ratepayer of other rating units), with any interest, costs, and disbursements;
- (g) any other rates due at the date of the sale or lease for other rating units owned by that person, whether or not the other rates are outside the period of limitation specified in section 65.

Compare: 1988 No 97 s 145(a)–(g)

Section 75(a): amended, on 1 March 2017, by section 5 of the Local Government (Rating) Amendment Act 2016 (2016 No 65).

Section 75(d): amended, on 7 July 2004, by section 7(1) of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

Section 75(g): amended, on 7 July 2004, by section 7(2) of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

## 76 Application of balance of proceeds

- (1) After the proceeds of a rating sale have been applied under section 75, the Registrar must pay the balance (if any) to Public Trust.
- (2) Public Trust, on the order of the High Court (which may be made by motion in Chambers), must pay the balance to those persons who are entitled to it, together with interest.
- (3) After the proceeds of a lease have been applied under section 75, the Registrar must, if there is a person in New Zealand entitled to receive the rent,—
  - (a) notify that person that he or she is entitled to collect and receive the rent; and
  - (b) notify the lessee to that effect; and
  - (c) cease collecting the rent.

Compare: 1988 No 97 ss 145, 146(1)(f)

### *Abandoned land*

## 77 Sale or lease of abandoned land

- (1) In this section and sections 78 to 81, **abandoned land** means a rating unit for which the rates have not been paid to the local authority for 3 years or more, and the ratepayer for that land—
  - (a) is unknown; or
  - (b) cannot be found after due inquiry and has no known agent in New Zealand; or
  - (c) is deceased and has no personal representative; or
  - (d) has given notice to the local authority that he or she intends to abandon or has abandoned the land.
- (2) A local authority may, at any time, give public notice in the locality of the land that the local authority intends—
  - (a) to have the land declared abandoned 1 month after the date of the notice; and
  - (b) to sell or lease the land.
- (3) One month after the date of the public notice, the local authority may apply to the District Court nearest to where the land is situated for an order that—
  - (a) declares the land to be abandoned; and

- (b) authorises the local authority to sell or lease the land.
- (4) The District Court may direct the local authority to give notice of the application to any persons, as it thinks fit, in addition to the rules for service under the District Court Rules.
- (5) The local authority may, in its discretion, proceed under section 67 to sell or lease abandoned land if the requirements of that section are met.
- (6) For the purposes of this section, **due inquiry** includes, but is not limited to, inquiry of any public agency that holds land records.

Compare: 1988 No 97 s 147(1)–(4), (12)

### **78 Court may order sale or lease of abandoned land**

If the District Court is satisfied that section 77 has been complied with, it may make an order to—

- (a) declare the land to be abandoned; and
- (b) authorise the local authority to sell or lease the land under sections 79 to 83, subject to any advertising requirements that the court thinks appropriate.

Compare: 1988 No 97 s 147(5)

### **79 Conduct of sale or lease of abandoned land**

- (1) A sale or lease of abandoned land must be by public auction or public tender.
- (2) A sale or lease is subject to any terms or conditions that the local authority thinks appropriate, but it must place a reserve on the land.
- (3) Without limiting the powers of the local authority, the local authority may—
  - (a) refuse any tender; or
  - (b) put the abandoned land up for sale or lease as often as may be required until it is sold or leased.
- (4) If the abandoned land is not sold or leased at public auction or by public tender, the local authority may sell or lease the land by private treaty for any consideration that is not less than the reserve.
- (5) The local authority may bid for the abandoned land at any public auction of it and may buy the land, but the local authority must not bid less than the reserve price.

Compare: 1988 No 97 s 147(6)

### **80 Execution of documents for abandoned land**

- (1) In the case of a sale under section 79, when the purchase price has been fully paid, the local authority must—
  - (a) execute, under seal, a memorandum of transfer on behalf of the ratepayer whose interest has been sold; and

- (b) note on the transfer that the land has been sold under this Act.
- (2) In the case of a lease under section 79, when the preconditions to the execution of the lease have been complied with, the local authority must—
  - (a) execute, under seal, the lease on behalf of the ratepayer whose interest has been leased; and
  - (b) note on the lease that the land has been leased under this Act.
- (3) If the local authority purchases the abandoned land, the Registrar of the District Court must—
  - (a) execute, under the seal of the District Court, a memorandum of transfer on behalf of the ratepayer whose interest has been sold; and
  - (b) note on the transfer that the land has been sold under this Act.
- (4) When the transfer or lease has been executed, the purchaser or lessee, as the case may be, is entitled to obtain possession, from any other person, of the abandoned land purchased or leased.

Compare: 1988 No 97 s 147(7), (8), (9)

### **81 Presumption that sale or lease valid**

- (1) A sale or lease of abandoned land made under this Act is valid for all purposes, even if there has been an irregularity in the conduct of the sale or lease.
- (2) No purchaser or lessee is obliged to inquire whether the sale or purchase was properly conducted.

Compare: 1988 No 97 s 147(7)

### **82 Application of proceeds of sale or lease**

- (1) Sections 75 and 76 apply, with the necessary modifications, to the application of the proceeds of every sale or lease of abandoned land under section 79.
- (2) For the purposes of this section, **expenses** includes all expenses incurred by the local authority in connection with the sale or lease.
- (3) If the proceeds of a sale or lease of abandoned land under section 79 are not sufficient to meet the rates, interest, costs, and expenses, the local authority may write off the deficiency.

Compare: 1988 No 97 s 147(11), (12)

### **83 Registration of instruments**

An instrument executed under section 73 or 80 may be registered under the Land Transfer Act 2017.

Section 83: replaced, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).



*Crown land*

**84 Crown land held on lease or licence**

- (1) This section applies to a lessee or licensee described in section 11(2).
- (2) The interest of a lessee or licensee in Crown land held under the Land Act 1948 may be sold for the non-payment of rates, but only in accordance with section 111 of the Land Act 1948.

Compare: 1988 No 97 s 150

Subpart 2—Remission and postponement

*Remission of rates*

**85 Remission of rates**

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if—
  - (a) the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
  - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

Compare: 1988 No 97 Parts 12, 12A, 12B

Section 85(1)(a): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

**86 Recording remitted rates**

The local authority must record the remitted rates—

- (a) on the rates record for the rating unit as paid on the due date; and
- (b) in accounting documents as paid by the local authority on behalf of the ratepayer in accordance with the relevant objective in the remission policy.

Compare: 1988 No 97 Parts 12, 12A, 12B

Section 86(b): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

*Postponement of requirement to pay rates*

**87 Postponement of requirement to pay rates**

- (1) A local authority must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if—
  - (a) the local authority has adopted a rates postponement policy under section 110 of the Local Government Act 2002; and

- (b) the ratepayer has applied in writing for a postponement; and
  - (c) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer—
- (a) identifying the postponed rates; and
  - (b) stating when, or in which circumstances, the rates will become payable.

Compare: 1988 No 97 Parts 12, 12A, 12B

Section 87(1)(a): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **88 Postponement fee may be added to postponed rates**

- (1) A local authority may, in accordance with its postponement policy, add a postponement fee to the postponed rates for the period between the due date and the date that they are paid.
- (2) A postponement fee must not exceed the administrative and financial costs to the local authority of the postponement.
- (3) A postponement fee must be treated, for all purposes, as part of the rates on a rating unit.

Compare: 1988 No 97 Parts 12, 12A, 12B

### **89 Recording postponed rates**

- (1) Subsection (2) applies if—
- (a) a postponement fee is not added to the postponed rates; or
  - (b) a postponement fee is added to the postponed rates that is less than the maximum set out in section 88(2).
- (2) The local authority must record the net cost of a postponement in accounting documents as paid by the local authority on behalf of the ratepayer in accordance with the relevant objective in the postponement policy.

Compare: 1988 No 97 Parts 12, 12A, 12B

Section 89(2): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **90 Postponed rates may be registered as charge on rating unit**

- (1) A local authority may register a notice of charge on a rating unit if the local authority has postponed the requirement to pay rates for the rating unit under section 87(1).
- (2) If subsection (1) applies,—
- (a) a charge on the rating unit is created for the amount owing from time to time to the local authority under section 87(2); and

- (b) except with the consent of the local authority, the Registrar must not register any dealing by the owner of the rating unit, of the land comprising the rating unit.
- (3) A notice of charge must—
  - (a) be signed by the chief executive of the local authority; and
  - (b) identify—
    - (i) the rating unit (for example, by its street address or rates record identifier); and
    - (ii) the land comprising the rating unit; and
    - (iii) the owner of the rating unit; and
  - (c) give a summary of how the amount of the charge is determined under section 87(2).
- (4) A local authority must register a notice of release of charge if all postponed rates for a rating unit are paid.
- (5) A notice of release of charge must—
  - (a) be signed by the chief executive officer of the local authority; and
  - (b) identify the notice of charge to which it relates.
- (6) For the purposes of subsection (3)(b)(ii), the land comprising a rating unit is sufficiently identified—
  - (a) in the case of land for which there is a record of title (as defined in section 5A of the Rating Valuations Act 1998) or an instrument (as defined in section 5C(7) of the Rating Valuations Act 1998), by reference to the record of title or instrument; and
  - (b) in any other case, by a description adequate for the purposes of this section which may include a plan.
- (7) For the purposes of this section, **Registrar** means the Registrar-General of Land.

Section 90: substituted, on 7 July 2004, by section 8 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

Section 90(6)(a): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

## Part 4

### Rating of Māori freehold land

#### 91 Liability of Māori freehold land for rates

Except where this Part otherwise provides, Māori freehold land is liable for rates in the same manner as if it were general land.

*District valuation rolls***92 Recording name of ratepayer**

- (1) If Māori freehold land is owned legally and beneficially by 1 or 2 owners, the names of the owners must be entered as ratepayers in the rating information database and the district valuation roll.
- (2) If an entire rating unit that comprises Māori freehold land in multiple ownership is leased, the name of the lessee must be entered as the ratepayer in the rating information database and the district valuation roll, unless the lessor advises the local authority, or the lessee produces proof, that the lease provides for the lessor to be liable to pay the rates.
- (3) If an entire rating unit that comprises Māori freehold land in multiple ownership is subject to an occupation order made by the Māori Land Court under section 328 of Te Ture Whenua Maori Act 1993 (or an equivalent order made under a former provision), the name of the person in whose favour the order is made must be entered as the ratepayer in the rating information database and the district valuation roll, unless the order provides for the owners or trustees, as the case may be, to be liable to pay the rates.
- (4) If subsection (2) or subsection (3) do not apply, the following names or descriptions must be entered as ratepayers in the rating information database and the district valuation roll:
  - (a) for Māori freehold land owned by more than 2 persons who are not trustees, the words “the owners”:
  - (b) for Māori freehold land vested in trustees, the names and designations of the trustees.
- (5) For the purposes of this Part,—
 

**lease** includes a tenancy at will, and any other tenancy that confers a leasehold interest upon the tenant, whether at law or in equity

**trustee** includes a body corporate constituted under Part 13 of Te Ture Whenua Maori Act 1993.
- (6) Subsection (1) is subject to section 11.
- (7) Subsections (2), (3), and (4) override section 11.

*Land vested in trustees***93 Limitation on trustee liability**

If trustees are liable to pay the rates on rateable Māori freehold land,—

- (a) the rates must be paid out of income derived from the land and received by the trustees for the beneficial owners of the land; and

- (b) the trustees are liable for rates only to the extent of the money derived from the land and received by the trustees on behalf of the beneficial owner or owners.

Compare: 1988 No 97 s 184

*Māori freehold land in multiple ownership*

**94 Appointment of person to receive notices**

- (1) Unless section 92(2) applies, or the land is vested in trustees, this section applies to rateable Māori freehold land in multiple ownership.
- (2) Unless it would be unreasonable or impracticable to do so, the Māori Land Court, on application by the local authority, must appoint one of the owners, or an agent of the owners, to receive rates assessments and rates invoices for Māori freehold land in multiple ownership.
- (3) The name of the owner or agent appointed under subsection (2) must be entered as the ratepayer in the rating information database and the district valuation roll, followed by the words “(court appointee)”.

Compare: 1988 No 97 s 183

**95 Effect of appointment of owner or agent**

- (1) An appointment of an owner or agent under section 94(2) applies solely for the purpose of section 94.
- (2) The entry of the name of an owner or agent appointed under section 94 as a ratepayer in the district valuation roll does not create or confer an estate or interest in the land on that person for any purpose.
- (3) If there has been an appointment under section 94(2), the rates assessment must be delivered to the appointee under section 44.
- (4) The delivery of a rates assessment under section 44 to an appointee does not make the appointee liable for the rates on the relevant land, except to the extent that the person would otherwise be liable.

Compare: 1988 No 97 s 183(1)–(7)

*Person actually using Māori freehold land in multiple ownership*

**96 Person actually using land liable for rates**

- (1) A person actually using Māori freehold land in multiple ownership that is not vested in a trustee is liable for the rates on that land.
- (2) For the purposes of this Part, **person actually using land** means a person who, alone or with others,—
  - (a) leases the land; or
  - (b) does 1 or more of the following things on the land for profit or other benefit:

- (i) resides on the land:
  - (ii) depastures or maintains livestock on the land:
  - (iii) stores anything on the land:
  - (iv) uses the land in any other way.
- (3) If there is a person actually using the land, subsection (1) applies whether or not—
- (a) the person actually using the land is one of the owners of the land; or
  - (b) a person has also been appointed under section 94(2) to receive the rates assessment and the rates invoice for the land.
- (4) This section overrides section 12.  
Compare: 1988 No 97 s 185(1), (4)

#### **97 Rates assessment delivered to person actually using land**

- (1) If section 96 applies, the rates assessment and rates invoice must be delivered to the person actually using the rateable Māori freehold land.
- (2) A person to whom section 96 applies and who is actually using part of the rateable Māori freehold land during a financial year must be treated as having used the whole of that land for the whole of that financial year unless that person establishes otherwise.
- (3) This section overrides sections 44 and 46.  
Compare: 1988 No 97 s 185(1)–(4)

#### **98 Recovery of unpaid rates from person actually using land**

In proceedings under section 63 for the recovery of unpaid rates against a person to whom section 96 applies, the court may give judgment for a proportion of the unpaid rates if the court—

- (a) considers that in the circumstances it is reasonable to do so; and
- (b) is satisfied that—
  - (i) the person did not actually use the whole of the rating unit for which the rates are claimed for the relevant financial year; and
  - (ii) the amount of the rates payable is disproportionately large compared to a reasonable rental or payment for the use.

Compare: 1988 No 97 s 185(5)

### *Charging orders*

#### **99 Application for charging order**

- (1) If the rates payable on rateable Māori freehold land are unpaid 6 months after the due date, the local authority may apply to the Māori Land Court for an order charging the unpaid rates against the land.

- (2) No application under subsection (1) may be made for an order charging a sum of less than \$50.
- (3) An application under subsection (1) may not be made later than 6 years after the date on which—
  - (a) the rates became due in that financial year in the case of rates payable in 1 payment in a financial year; or
  - (b) the last payment of rates became due in that financial year in the case of rates payable by more than 1 payment in a financial year.
- (4) Section 82 of Te Ture Whenua Maori Act 1993 does not apply to a charging order made under this Part.

Compare: 1988 No 97 s 186(1), (2)

**100 Matters that must be taken into account by Māori Land Court**

- (1) In a hearing by the Māori Land Court of an application made under section 99, the Māori Land Court must have regard to—
  - (a) the area and location of Māori freehold land in respect of which rates are unpaid; and
  - (b) the name of any person actually using all or part of the rating unit during the period that the rates were unpaid; and
  - (c) whether that person has an interest in the land; and
  - (d) the purpose for which that person used the land during the period the rates were unpaid; and
  - (e) if the land is vested in trustees, whether all reasonable steps have been taken by the local authority to obtain payment of the rates from the trustees; and
  - (f) details of the value of the land as appearing in the latest district valuation roll made under the Rating Valuations Act 1998, and the date at which the value was determined; and
  - (g) the names and addresses of the persons to whom rates assessments for the land have been delivered at any time during the period for which the rates were assessed; and
  - (h) all objections to the rates; and
  - (i) the objectives set out in section 17(1) of Te Ture Whenua Maori Act 1993.
- (2) Any defence that is available to a ratepayer is open to the owners of the land or their representatives.

Compare: 1988 No 97 s 186(3), (4)

**101 Powers of Māori Land Court to make charging order**

- (1) If the Māori Land Court is satisfied, after hearing an application made under section 99, that the rates are payable and have been unpaid for more than 6 months since the due date, the court must make a charging order against the land in favour of the local authority for the amount of the unpaid rates and the cost of obtaining the charging order.
- (2) Despite subsection (1), the court must not make an order unless it is satisfied,—
  - (a) if the land is vested in trustees, that all reasonable steps have been taken by the local authority to obtain payment of the rates from the trustees; or
  - (b) if a person is liable to pay the rates because section 96 applies, that—
    - (i) the local authority has taken proceedings against that person to recover judgment for all or some of the rates and has been unable to recover the amount of the judgment; or
    - (ii) having regard to all the circumstances of the case, those proceedings are unlikely to result in the rates being recovered.
- (3) Subsection (2) does not override section 108.

Compare: 1988 No 97 s 186(4A), (5)

**102 Charging order must be registered**

A charging order made by the Māori Land Court under section 101(1) must be registered in accordance with the provisions of section 123 or section 124 of Te Ture Whenua Maori Act 1993, as the case may require, with the necessary modifications.

**103 Charging order in favour of owner paying rates**

- (1) An owner of Māori freehold land in multiple ownership who has paid the rates on that land may apply to the Māori Land Court for a charging order against the land for the excess amount of rates paid by that owner.
- (2) In this section, **excess amount**, in relation to an owner, means the amount paid by an owner in excess of the rates properly apportionable to that owner's interest in the land.
- (3) The Māori Land Court may make a charging order in favour of that owner for the excess amount if the court is satisfied that the amount paid by the owner is an excess amount.
- (4) Despite subsections (1) to (3), the court must not make an order unless it is satisfied,—
  - (a) if the land is vested in trustees, that all reasonable steps have been taken by the local authority to obtain payment of the rates from the trustees; or
  - (b) if a person is liable to pay the rates because section 96 applies, that—



- (i) the local authority has taken proceedings against that person to recover judgment for the amount of the rates, or an appropriate portion of the rates, and has been unable to recover the amount of the judgment; or
  - (ii) having regard to all the circumstances of the case, those proceedings are unlikely to result in the rates being recovered.
- (5) Subsection (1) does not apply to an owner who is actually using the land, as defined in section 96.  
Compare: 1988 No 97 s 187

### *Effect of charging orders*

#### **104 Effect of charging order**

If a charging order is made under section 101, no owner may deal with the land except—

- (a) with the consent of the local authority; or
- (b) with the leave of the Māori Land Court.

Compare: 1988 No 97 s 186(7)

#### **105 Charging order in force until discharged**

- (1) A charging order made against Māori freehold land under section 101 (or under the corresponding section of a former Act) is in force until it is discharged.
- (2) Subsection (1) does not override section 113 of this Act or the Limitation Act 2010.

Compare: 1988 No 97 s 186(8)

Section 105(2): amended, on 1 January 2011, by section 58 of the Limitation Act 2010 (2010 No 110).

#### **106 Consolidation of charging orders**

The Māori Land Court may consolidate more than 1 order against the same land into 1 order for the total amount of rates due and discharge previous charging orders.

Compare: 1988 No 97 s 186(10)

#### **107 Charging order apportioned if land partitioned**

- (1) If a rating unit subject to a charging order made under section 101 is partitioned, the charging order must be apportioned according to the area of each partition.
- (2) Despite subsection (1), the Māori Land Court, in its discretion, may make an order that apportions the charge in any other manner that it considers fair and equitable.

Compare: 1988 No 97 s 186(11)

*Enforcement of charging orders***108 Māori Land Court may enforce charging order**

- (1) If a charging order made under section 101 remains unsatisfied for 6 months, the local authority may apply to the Māori Land Court to enforce the charging order under subsection (2).
- (2) If the Māori Land Court is satisfied that it would not be contrary to the interests of the owners to do so, it must, without further application, enforce the charging order by—
  - (a) appointing a receiver under section 83 of Te Ture Whenua Maori Act 1993 in respect of the relevant land for the purpose of enforcing the charging order; or
  - (b) constituting an ahu whenua trust under section 215 of Te Ture Whenua Maori Act 1993.
- (3) The Māori Land Court must not make an order under subsection (2) unless it has first—
  - (a) considered whether the land is capable of producing an income that would enable the payment of rates on the land in the future; and
  - (b) heard evidence and submissions put forward by any owners of the land and by the local authority.

Compare: 1988 No 97 s 188(1), (2)

**109 Scope of order**

An order made under section 108(2)—

- (a) must provide for the receiver or trustees, as the case may be, to satisfy the charging order; and
- (b) may authorise the receiver or trustees, as the case may be, on behalf of the owners, to recover—
  - (i) money from any other person for the past use of the land by that person; or
  - (ii) the amount of rates payable for that land during that person's use of the land.

Compare: 1988 No 97 s 188(3)

**110 Cancellation of order to enforce charging order**

The Māori Land Court must cancel an order made under section 108(2) if, within 2 months after the making of that order, an owner of the land satisfies the court that—

- (a) all outstanding rates have been paid; and
- (b) proper provision has been made for the payment of future rates.

Compare: 1988 No 97 s 188(5)

**111 Māori Land Court may make order for payment**

- (1) If the Māori Land Court has made a charging order under section 101, the court may, on application from the local authority, make an order for the payment of unpaid rates by the Māori Trustee or any other person who holds, or is entitled to receive, on trust for the owners of the land, any money derived from the land.
- (2) Before making an order under subsection (1), the court must be satisfied that there is a person liable for the satisfaction of the charging order and must give notice to that person of the application by the local authority for an order for payment under subsection (1).
- (3) An order made under subsection (1) may require any money that is held in trust for the liable person to be applied in payment of the rates to which the charging order relates.

Compare: 1988 No 97 s 188(4)

*Discharge of charging orders*

**112 Discharge of charging order in full or in part**

- (1) A charging order made under section 101 must be discharged if—
  - (a) the rates for the land subject to the charging order have been paid; or
  - (b) the rates have been remitted by the local authority under section 85.
- (2) If subsection (1) applies, either—
  - (a) the Māori Land Court must, by order of the court, discharge the charging order; or
  - (b) the local authority must discharge the charging order in writing.
- (3) If the rates are paid in part or are remitted in part, the Māori Land Court or the local authority, as the case may be, must discharge the charging order in proportion to the amount of the rates paid or the amount for which the rates are remitted.

Compare: 1988 No 97 s 190(1)

**113 Notation and registration of discharge**

- (1) If a discharge of a charging order is granted under section 112, the Registrar of the Māori Land Court must endorse the charging order,—
  - (a) if the discharge relates to the full amount of the unpaid rates, as being discharged in full; and
  - (b) if the discharge relates to part of the unpaid rates, as being partially discharged, both as to the amount of the rates remaining unpaid and the portion of the land affected by the charging order.

- (2) A discharge referred to in section 112 must be registered in accordance with the provisions of section 123 or section 124 of Te Ture Whenua Maori Act 1993, as the case may require, with any necessary modifications.
- (3) In the case of a partial discharge, the charging order must be registered only as to the balance of the money and the residue of the land affected.

Compare: 1988 No 97 s 190(2), (3)

*Remission, postponement, and exemption of rates*

**114 Remission of rates**

- (1) A local authority may remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if—
  - (a) its policy on the remission and postponement of rates on Māori freehold land adopted under section 102(1) of the Local Government Act 2002 includes provision for the remission of the rates; and
  - (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) Sections 85(2) and 86 apply to a remission made under subsection (1).
- (3) This section does not limit the application of section 85 to Māori freehold land.

Compare: 1988 No 97 s 189

Section 114(1)(a): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 114(1)(a): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

**115 Postponement of requirement to pay rates**

- (1) A local authority must postpone the requirement to pay all or part of the rates on Māori freehold land (including penalties for unpaid rates) if—
  - (a) its policy on the remission and postponement of rates on Māori freehold land adopted under section 102(1) of the Local Government Act 2002 includes provision for the postponement of the requirement to pay rates; and
  - (b) the ratepayer has applied in writing for a postponement; and
  - (c) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) Sections 87(2), and 88 to 90 apply to postponements made under subsection (1).
- (3) This section does not limit the application of section 87 to Māori freehold land.

Compare: 1988 No 97 s 189

Section 115(1)(a): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 115(1)(a): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

### **116 Exemption of Māori freehold land from rates**

- (1) The Governor-General, by Order in Council made on the recommendation of the Māori Land Court and with the consent of the local authority in whose district the land is situated, may exempt Māori freehold land, as specified in the order, from some or all liability for rates.
- (2) An order made under subsection (1) may, at any time, be varied or cancelled by Order in Council.
- (3) In determining whether to consent to an order under subsection (1) or whether to seek an order under subsection (2), the local authority must consider—
  - (a) the provisions of the policy on the remission and postponement of rates on Māori freehold land adopted by the local authority under section 102(1) of the Local Government Act 2002; and
  - (b) the objectives set out in Schedule 11 of the Local Government Act 2002.

Compare: 1988 No 97 s 182

Section 116(3)(a): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

Section 116(3)(a): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 116(3)(b): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### **117 Effect of exemption**

- (1) An order made under section 116 may—
  - (a) apply to specified Māori freehold land or to any specified class of that land; and
  - (b) release the persons liable from liability for rates that were unpaid before the order was made.
- (2) If an order is made under section 116, the local authority must write off any rates referred to in subsection (1)(b).

Compare: 1988 No 97 s 182(2)–(4)

## **Part 4A**

### **Lump sum contributions**

Part 4A: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

### **117A Interpretation**

In this Part, unless the context otherwise requires,—

**capital project—**

- (a) means a project or work the expenditure for which is not recognised by generally accepted accounting practice as being operating expenditure; and
- (b) includes a loan in relation to a project or work

**capital project funding plan** or **funding plan** means a capital project funding plan adopted by a local authority under section 117B(3)

**election** means an election made by an eligible ratepayer under section 117H(1)

**eligible ratepayer** means the ratepayer in respect of a rating unit that is identified in a capital project funding plan as being a rating unit that is liable to fund the capital project concerned

**invitation** means an invitation made by a local authority to its eligible ratepayers under section 117F

**lump sum contribution** means a payment made by an eligible ratepayer under this Part for the purposes of contributing to a capital project of a local authority.

Section 117A: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117B Local authority may fund capital project by lump sum contributions**

- (1) A local authority may fund, or partially fund, a capital project by lump sum contributions from its ratepayers.
- (2) Subsection (1) applies if, and only if, the local authority has adopted a capital project funding plan for the capital project.
- (3) A funding plan must—
  - (a) commence at the start of a financial year; and
  - (b) contain the matters required under section 117E(1); and
  - (c) be adopted as part of the local authority's—
    - (i) annual plan; or
    - (ii) long-term plan (or as an amendment to its long-term plan).
- (4) In developing a funding plan, a local authority must give equal weight to the financial interests of those ratepayers who may elect to make a lump sum contribution and those who may decide not to do so.
- (5) This section is subject to section 117C.

Section 117B: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

Section 117B(3)(c)(ii): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

**117C Requirement to pay lump sum contribution must not be imposed on ratepayers**

No local authority may require a ratepayer to pay a lump sum contribution to a capital project unless—

- (a) it has invited the ratepayer to do so under section 117F; and
- (b) the ratepayer has elected to do so under section 117H.

Section 117C: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117D Consequences for local authority if capital project funding plan adopted**

- (1) Once a local authority has adopted a capital project funding plan for a capital project,—
  - (a) it must not fund the project in any way other than in accordance with the funding plan; and
  - (b) the proceeds from any targeted rates collected under the funding plan must not be used for any purpose other than the project.
- (2) Subsection (1) applies subject to any express provisions to the contrary in the invitation for the project.

Section 117D: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

*Capital project funding plans*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117E Contents of capital project funding plan**

- (1) A local authority must include the matters set out in Part 1 of Schedule 3A in a capital project funding plan.
- (2) A local authority may include any other matter in a funding plan—
  - (a) that it sees fit; and
  - (b) that is not inconsistent with this Act or any other enactment.

Section 117E: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

*Invitations to make lump sum contribution*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117F Invitations to make lump sum contribution**

- (1) For the purposes of section 117B, a local authority may invite lump sum contributions for a capital project from its ratepayers.
- (2) An invitation must—

- (a) be in writing; and
  - (b) be delivered to each eligible ratepayer not less than 1 month before the date specified in the invitation as being the final date for the ratepayer to elect to make a lump sum contribution; and
  - (c) contain the matters required under section 117G(1).
- (3) A local authority must not include any term in an invitation that would have the effect of—
- (a) offering different terms to individual eligible ratepayers, a class of eligible ratepayers, or classes of eligible ratepayers; or
  - (b) inviting lump sum contributions from its eligible ratepayers on terms that are inconsistent with the funding plan for the capital project concerned.

Section 117F: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **117G Contents of invitation**

- (1) An invitation must—
- (a) contain all the terms that would apply to the eligible ratepayer if the ratepayer elected to make a lump sum contribution in respect of the rating unit; and
  - (b) include any other information that the local authority considers necessary to enable the eligible ratepayer to make an informed choice about making a lump sum contribution to the project.
- (2) Without limiting subsection (1), an invitation must include the matters set out in Part 2 of Schedule 3A.

Section 117G: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### *Elections to make lump sum contribution*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **117H Eligible ratepayer may elect to make lump sum contribution**

- (1) Having received an invitation, an eligible ratepayer may elect to make a lump sum contribution to the capital project concerned in respect of the rating unit concerned.
- (2) An election must be—
- (a) in writing; and
  - (b) signed by the ratepayer or an authorised representative of the ratepayer; and



- (c) returned to the local authority concerned no later than the date specified in the invitation as being the final date for a ratepayer to elect to make a lump sum contribution.
- (3) A rating unit in respect of which the eligible ratepayer does not elect to make a lump sum contribution will be liable for the targeted rates specified in the invitation that relate to the category of rating unit to which the unit belongs and—
  - (a) that apply to a rating unit in respect of which the ratepayer has not elected to make a lump sum contribution; and
  - (b) that apply to a rating unit whether or not the ratepayer in respect of the rating unit has elected to make a lump sum contribution.

Section 117H: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **117I Lump sum contribution invoice**

- (1) This section applies to a rating unit in respect of which the eligible ratepayer has elected to make a lump sum contribution to a local authority's capital project.
- (2) The local authority must deliver to the ratepayer in respect of the rating unit—
  - (a) an invoice for the full contribution, if the lump sum contribution is to be paid in one amount; or
  - (b) an invoice for each instalment, if the lump sum contribution is to be paid in instalments.
- (3) An invoice must be delivered to the ratepayer no later than 1 month before the date on which payment is due (being the date specified in the invitation concerned).
- (4) An invoice—
  - (a) must be a separate document from any rates invoice delivered to the ratepayer; but
  - (b) may be delivered at the same time as the rates invoice.

Section 117I: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **117J Consequences for eligible ratepayer (and any future ratepayers) of election to make lump sum contribution**

- (1) A rating unit in respect of which the eligible ratepayer has elected to make a lump sum contribution for a capital project is not liable for the targeted rates specified in the invitation concerned as being targeted rates that do not apply to the rating unit.
- (2) The obligations assumed by an eligible ratepayer who elects to make a lump sum contribution in respect of a rating unit—
  - (a) run with the land; and

- (b) are binding on every person who is for the time being the ratepayer responsible for the rating unit.
- (3) Subsection (2) applies until the date that is the later of—
  - (a) the date that the contribution is paid in full; or
  - (b) the date that any recalculation of the contribution is made.

Section 117J: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

*Local authority must record certain matters*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117K Local authority must record elections and lump sum contributions in rating information database and rates records**

- (1) A local authority must record the following information in its rating information database for each rating unit in respect of which an eligible ratepayer has elected to make a lump sum contribution:
  - (a) that an election has been made; and
  - (b) that the rating unit is not liable for the targeted rates specified in the invitation concerned as being targeted rates that do not apply to the rating unit.
- (2) A local authority must record the following information in its rates records for each rating unit in respect of which an eligible ratepayer has elected to make a lump sum contribution:
  - (a) that an election has been made; and
  - (b) the terms of the invitation concerned; and
  - (c) the information relating to due dates and amounts of payment included in any invoice delivered to the ratepayer under section 117I; and
  - (d) the date and amount of any lump sum contribution payments made in respect of the rating unit.

Section 117K: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

*Change of ownership of rating unit*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117L Local authority must notify new ratepayer of liability in respect of rating unit for lump sum contribution**

- (1) This section applies if—
  - (a) a rating unit is liable for a lump sum contribution; and

- (b) the ratepayer in respect of the rating unit changes because the local authority is notified,—
  - (i) under section 31, of a change in ownership of the rating unit; or
  - (ii) under section 32, of the surrender or termination of a lease or licence in relation to the rating unit; or
  - (iii) under section 33, of the transfer or assignment of a lease or licence in relation to the rating unit.
- (2) A local authority that is notified of a matter described in subsection (1) must notify, in writing, the person who becomes the ratepayer for the rating unit of all the information referred to in section 117K(2).
- (3) The local authority must also provide to the person a copy of the terms of the election made by the eligible ratepayer as set out in the invitation concerned.

Section 117L: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### *Recalculation of lump sum contributions*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **117M Recalculation of lump sum contributions**

- (1) A local authority may make 1 recalculation of the lump sum contributions to a capital project.
- (2) A recalculation must be made in accordance with the factors and methodologies specified in the invitation concerned.
- (3) A recalculation must not be made until the final cost of the project is known.
- (4) A local authority must, no later than 1 month after a recalculation,—
  - (a) if the liability from the lump sum contributions decreases, refund the excess to the ratepayer for each rating unit in respect of which a contribution was made; or
  - (b) if the liability from the lump sum contributions increases, deliver an invoice to the ratepayer for each rating unit in respect of which a contribution was made.
- (5) Any invoice to which subsection (4)(b) applies must specify a due date for payment that is not less than 1 month after the date on which the invoice is delivered.

Section 117M: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

*Late payment or non-payment of lump sum contribution*

Heading: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

**117N Late payment or non-payment of lump sum contribution**

- (1) This section applies if—
  - (a) an eligible ratepayer has elected to make a lump sum contribution to a capital project in respect of a rating unit; and
  - (b) the eligible ratepayer (or any other person who is for the time being the ratepayer) in respect of the rating unit does not pay the contribution, or a contribution instalment, by its due date (including any amount due under section 117M(4)(b)).
- (2) The local authority concerned may either—
  - (a) cancel the election; or
  - (b) recover the amount owing in a court of competent jurisdiction as a debt due.
- (3) If the local authority cancels the election it must amend the entries in its rating information database and rates records in relation to the rating unit, for each year that it has recorded information under section 117K, to reflect the fact that the rating unit is liable, for each of those years, for the targeted rate or targeted rates referred to in section 117K(1)(b).
- (4) The local authority must record any amount paid as a lump sum contribution in respect of the rating unit as a payment of the rates referred to in subsection (3)—
  - (a) for the first year that the rating unit was liable for those rates; and
  - (b) as being paid at the date that the lump sum contribution was paid.
- (5) The local authority must record any surplus amount resulting from the operation of subsection (4) as a payment of the rates referred to in subsection (3)—
  - (a) for the next year that the rating unit was liable for those rates; and
  - (b) as being paid at the date that the lump sum contribution was made.
- (6) The local authority must continue to apply any surplus amount in the manner set out in subsection (5) until either—
  - (a) no surplus remains; or
  - (b) no rates remain unpaid.
- (7) If, after the operation of subsections (5) and (6),—
  - (a) a deficit for any financial year concerned is shown in the rates record, the local authority must treat the amount or amounts as unpaid rates for the purposes of sections 46(2)(i), 57, and 58;
  - (b) a surplus remains, the local authority must credit the rates record.

- (8) Subsection (7)(a) is subject (in any particular case) to the local authority applying its rates remission policy under section 85.
- (9) The local authority must apply any credit under subsection (7)(b) in the following manner and order of priority:
  - (a) pay any arrears owing in respect of the rating unit for 1 or more previous financial years:
  - (b) pay any arrears owing in respect of the rating unit for the current financial year:
  - (c) record a credit in the rates record against future rates in respect of the rating unit.
- (10) If subsection (9)(c) applies,—
  - (a) the ratepayer in respect of the rating unit may apply to the local authority, in writing, for a refund of the credited amount; and
  - (b) the local authority must, as soon as practicable, make the refund.
- (11) The local authority must issue an amended rates assessment for each year in respect of which it has amended the rates records under this section.

Section 117N: inserted, on 28 June 2006, by section 10 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

## Part 5 Replacement of rates and miscellaneous matters

### Subpart 1—Replacement of rates

#### 118 Interpretation

In this subpart, unless the context otherwise requires,—

**current year** means the financial year in which a rates replacement proposal is adopted

**relevant year** means the financial year in which the rates that are replaced under a rates replacement proposal were set.

Compare: 1988 No 97 s 150A

#### *Setting rates again*

#### 119 Local authority may set rates again

- (1) A local authority may set a rate again in the financial year in which the rate was set.
- (2) Subsection (1) applies if—
  - (a) the local authority determines that it is desirable to set the rate again because of—

- (i) an irregularity in setting the rate; or
    - (ii) a mistake in calculating the rate; or
    - (iii) a relevant change in circumstances; and
  - (b) setting the rate again will not increase the amount of rates assessed to any rating unit.
- (3) A local authority may set a rate again only if—
- (a) it has given 14 days' public notice of its intention to set the rate again; and
  - (b) it complies with the local authority's standing orders for the revocation and alteration of resolutions.
- (4) Notice under subsection (3) must include—
- (a) the information in relation to the rate that was, or would otherwise have been, required to be included in the local authority's long-term plan or annual plan; and
  - (b) a statement of the reason why the local authority has determined that it is desirable to set the rate again.
- (5) If setting the rate again results in a change to the amount of rates to be assessed to any rating unit,—
- (a) the rates record for the rating unit must be corrected as soon as practicable; and
  - (b) section 41 applies.

Section 119(4)(a): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 119(4)(a): amended, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

### *Replacing invalid rates*

#### **120 Replacement of invalid rates**

- (1) A local authority must set replacement rates if a court of competent jurisdiction orders the local authority to do so.
- (2) A local authority may decide to set replacement rates if—
  - (a) it has obtained an opinion from a barrister or solicitor that the rates in question would be likely to be set aside or declared invalid if they were subjected to judicial review by the High Court; or
  - (b) the local authority determines that it is desirable to set the rate again because of—
    - (i) an irregularity in setting the rate; or
    - (ii) a mistake in calculating the rate; or
    - (iii) a relevant change in circumstances.

- (3) A local authority must notify the Secretary of Local Government of a decision under subsection (2)(b) within 14 days after the decision is made.

Compare: 1998 No 97 ss 150B, 150C

### **121 Notice that rates will be replaced**

- (1) The local authority must, as soon as practicable after the court order or its decision to set replacement rates is made, give public notice that the rates will be replaced.
- (2) The notice must specify the rates that will be replaced.
- (3) In addition, the local authority must, as soon as practicable, note on the rates records to which the replacement rates apply—
- (a) that the local authority will set replacement rates; and
  - (b) the rates that will be replaced.

Compare: 1988 No 97 s 150D

### **122 Matters relevant to setting replacement rates**

- (1) The total revenue sought from the replacement rates must not exceed the total revenue sought from the rates to be replaced.
- (2) For the purposes of setting replacement rates, the local authority has all the powers, duties, and responsibilities that it had under any enactment on the date on which the rate to be replaced was set, even though the law may have changed since that date.

Compare: 1988 No 97 s 150F

### *Rates replacement proposal*

### **123 Rates replacement proposal**

- (1) Replacement rates must be set by the adoption of a rates replacement proposal prepared in accordance with the special consultative procedure.
- (2) A rates replacement proposal must—
- (a) identify the relevant year; and
  - (b) for each of the rates set and assessed by the local authority in the relevant year, state—
    - (i) the date on which the rate was set; and
    - (ii) whether it is a general rate based on rateable value, a uniform annual general charge, or a targeted rate; and
  - (c) identify which of the rates referred to in paragraph (b) are proposed to be replaced and the reasons for their replacement; and
  - (d) for each proposed replacement rate, state whether it is a general rate based on a rateable value, a uniform annual general charge, or a targeted rate; and

- (e) identify any difference between the revenue sought from the rates to be replaced and that proposed to be sought from the replacement rates and the reasons for that difference; and
  - (f) explain any departure from the revenue and financing policy under section 103 of the Local Government Act 2002 and the reasons for that departure; and
  - (g) explain any difference in basis or type of rates between the rates to be replaced and the replacement rates; and
  - (h) describe the general effect that the rates replacement proposal is expected to have on the overall liability of ratepayers or groups of ratepayers within the district for rates for the relevant year.
- (3) In giving notice of the rates replacement proposal under the special consultative procedure, the local authority must give specific notice of the proposal to every ratepayer of the district.
- (4) The notice must include—
- (a) a summary of sections 126 and 127; and
  - (b) a statement that the proposal will not affect rates set and assessed in years after the relevant year and, if a rates replacement proposal is intended for any of those years, a statement of that intention.

Compare: 1988 No 97 ss 150E(2), 150G

Section 123(2)(f): substituted, on 1 July 2003, by section 262 of the Local Government Act 2002 (2002 No 84).

## **124 Adoption of rates replacement proposal**

- (1) On the adoption of a rates replacement proposal,—
- (a) the replacement rates identified in the proposal are set; and
  - (b) the rates to be replaced cease to have effect.
- (2) Subsection (1)(b) does not affect—
- (a) the lawfulness of the actions of the local authority in assessing rates before the adoption of the rates replacement proposal; or
  - (b) the lawfulness of the payment of the rates and of the local authority receiving that payment before the adoption of the rates replacement proposal; or
  - (c) a rates rebate granted under the Rates Rebate Act 1973 before the adoption of the rates replacement proposal; or
  - (d) a discount given under a policy provided for in section 55(3) or section 56(4), or a penalty imposed under section 57, before the adoption of the rates replacement proposal; or
  - (e) a remission of rates before the adoption of the rates replacement proposal; or



- (f) the lawfulness of an action to recover unpaid rates taken by the local authority before the adoption of the rates replacement proposal.

Compare: 1988 No 97 s 150H

### *Effect of replacement rates*

#### **125 Adjustment of rates due on properties**

- (1) As soon as practicable after replacement rates are set, the local authority must assess the total liability for replacement rates in respect of each rating unit.
- (2) Liability for replacement rates for the relevant year must be assessed in accordance with the information in the rating information database as at the end of the financial year immediately before the relevant year.
- (3) If the total amount of replaced rates that were assessed on a rating unit is more than the total amount assessed under subsection (1) for the rating unit, the amount of the excess must be dealt with under section 126.
- (4) If the total amount of replaced rates that were assessed on any rating unit is less than the total amount assessed under subsection (1) for the rating unit, the amount of the deficit must be dealt with under section 127.
- (5) The local authority must deliver to the ratepayer a notice that—
  - (a) identifies the rates that have been replaced on that rating unit; and
  - (b) describes the replacement rates on the rating unit in sufficient detail to enable the basis for the total amount of replacement rates to be identified; and
  - (c) if subsection (3) applies, identifies the amount of the excess and how section 126 applies; and
  - (d) if subsection (4) applies, identifies the amount of the deficit and how section 127 applies; and
  - (e) contains any other explanatory material that the local authority thinks appropriate.

Compare: 1988 No 97 s 150I

#### **126 Allocation of excess**

- (1) The amount of any excess must be applied in the following order:
  - (a) paying any rates arrears for the relevant year; and
  - (b) paying any other rates arrears owing in respect of the rating unit; and
  - (c) crediting against future rates any remaining sum in anticipation of rates yet to be assessed.
- (2) If a remaining sum is credited against future rates,—
  - (a) the ratepayer may, at any time, apply in writing to the local authority for the refund of the whole or part of the credited rates; and

- (b) the local authority must make the refund as soon as practicable after receiving the application.

Compare: 1988 No 97 s 150J

### **127 Assessment of deficit**

- (1) The amount of a deficit must be assessed on the rating unit—
  - (a) in the current year if, at the time that the replacement rates are set, the local authority has not set its general rates for the current year; or
  - (b) in the subsequent year in any other case.
- (2) The amount of the deficit must be identified in the rates assessment as a replacement rates adjustment for the relevant year.
- (3) The following enactments apply to the assessment of the deficit as if it were rates assessed in the year it is assessed:
  - (a) Parts 3 to 5:
  - (b) the Rates Rebate Act 1973.
- (4) The exclusion of all or part of a rating unit from the district of a local authority after the relevant year does not affect the ability of the local authority to assess a deficit on the unit.

Compare: 1988 No 97 s 150K

#### *Particular circumstances*

### **128 Subdivision of rating unit**

- (1) Subsection (2) applies if—
  - (a) part of a rating unit for the relevant year is sold or otherwise transferred; and
  - (b) the sale or transfer occurs before replacement rates are set.
- (2) The local authority—
  - (a) must allocate any excess or deficit in respect of a rating unit among the several parts of that rating unit in proportion to the rateable values of those parts; and
  - (b) may—
    - (i) credit each of the several parts with the amount of the excess that is calculated in respect of the total rating unit; or
    - (ii) cancel the deficit that is calculated in respect of the total rating unit.

Compare: 1988 No 97 s 150L

**129 Replacement of postponed rates**

- (1) This section applies to postponed rates that are not yet payable at the date on which the replacement rates are set.
- (2) Those rates must be treated as adjusted—
  - (a) by the amount of an excess under section 126; or
  - (b) by the amount of a deficit under section 127.
- (3) The local authority must adjust the interest charged on the postponed rates accordingly.

Compare: 1988 No 97 s 150M

**130 Cancellation of deficit**

The local authority may cancel the requirement to pay a deficit assessed under this Part—

- (a) in accordance with a policy for those cancellations that is included in the rates replacement proposal; or
- (b) if the local authority considers it would be unreasonable not to do so in a particular case.

Compare: 1988 No 97 s 150N

**Subpart 2—Miscellaneous matters**

**131 Estimate of projected valuation by regional council**

- (1) This section applies if the general revaluations of the components of the district valuation roll of a regional council do not all take effect on the same date.
- (2) A regional council may arrange for a registered valuer to make an estimate of the projected valuation of all the rateable land in the districts of the constituent territorial authorities.
- (3) The purpose of the projected valuation is to indicate the extent and nature of changes in the rateable value of rateable land in each constituent district between—
  - (a) the date on which the general revaluation for that district took effect; and
  - (b) the date nominated by the regional council as the date in respect of which the projected valuation is to be made.

**132 Delegation**

- (1) A local authority may delegate the exercise of functions, powers, or duties conferred by this Act on the local authority to—
  - (a) its chief executive officer; or
  - (b) any other specified officer of the local authority.
- (2) A local authority must not delegate—

- (a) the power to delegate; or
- (b) a function, power, or duty conferred by subpart 2 of Part 1 or subpart 1 of Part 5.

Section 132(1)(a): amended, on 7 July 2004, by section 9 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

### **133 In certain cases Governor-General in Council may extend time or validate proceedings**

The Governor-General may, by Order in Council, do 1 or more of the following:

- (a) extend the time for completing an action, step, or procedure that is required by or under this Act and that is not done or cannot be done by the time required:
- (b) validate an action, step, or procedure that is required by or under this Act and that is done after the time required:
- (c) validate an irregularity of form in an action, step, or procedure that is required by or under this Act:
- (d) make a provision for a situation for which sufficient provision is not made by or under this Act.

Compare: 1988 No 97 s 205

### **134 Judge, etc, not interested merely by being ratepayer**

A Judge, Justice, or Community Magistrate must not be treated as interested in a case in which he or she is judicially concerned solely because of his or her liability to pay rates.

Compare: 1988 No 97 s 204

### **135 Evidence of certain matters**

- (1) In any proceedings, a document that appears to be a copy of a resolution that sets a rate or a copy of an extract from a district valuation roll, a rating information database, or the rates records of a local authority must be received as evidence of the correctness of the content of the document unless the contrary is proved.
- (2) The document must be signed by the chief executive officer or another person who is authorised by the local authority to do so, and it is not necessary to prove the signature of the officer or person.

Compare: 1988 No 97 s 119

Section 135(2): amended, on 7 July 2004, by section 10 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

### **136 Notification**

- (1) This section applies to the notification of a matter and the delivery of a notice, including a rates assessment or rates invoice.

- (2) The notice must be in writing and must be sent or delivered—
  - (a) personally; or
  - (b) by post addressed to the person at the person's—
    - (i) postal address, as notified to the local authority by the person; or
    - (ii) last known business or residential address; or
  - (c) by fax addressed to the person at the person's fax number; or
  - (d) by any other means (including electronic means) acceptable to the person.
- (3) A notice that is posted to a person must be treated as received by that person not later than 7 days after the date on which it is posted.
- (4) A notice that is sent to a person at a fax number or electronic address must be treated as received by that person not later than 2 days after the date on which it is sent.
- (5) However, a notice must not be treated as received if the person to whom it is posted or sent proves that it was not received, otherwise than through fault on the person's part.

Compare: 1974 No 66 s 253

*Amendments, savings, repeals of other enactments, and transitional provisions*

**137 Amendments to other enactments**

- (1) The Acts and regulations specified in Schedules 4 and 5 are amended in the manner indicated in those schedules.
- (2) However, those Acts and regulations continue in force as if they had not been amended to the extent necessary for the levying and collection of rates made or levied for the financial year ending on 30 June 2003 or a previous financial year.

**138 Repeals and savings**

- (1) The Acts and regulations specified in Schedule 6 are repealed or revoked, as the case may be.
- (2) However, the Acts and regulations continue in force to the extent necessary for the levying and collection of rates made or levied for the financial year ending on 30 June 2003 or a previous financial year.

**139 Transitional provision for rates remission**

- (1) A local authority may remit rates after the commencement of this section as if the Rating Powers Act 1988 were in force.
- (2) Subsection (1) applies until the close of 30 June 2004.

- (2A) Despite subsection (2), a local authority that has adopted a long-term plan for a period beginning on 1 July 2003 may remit rates, as if the Rating Powers Act 1988 were in force, until the close of 30 June 2005.
- (3) Rates that are remitted under subsection (1) must be treated as if they are remitted rates under this Act.

Section 139(2A): inserted, on 7 July 2004, by section 11 of the Local Government (Rating) Amendment Act 2004 (2004 No 66).

Section 139(2A): amended, on 27 November 2010, by section 50 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

#### **140 Transitional provisions for rates postponement**

- (1) A local authority may postpone rates after the commencement of this Act as if the Rating Powers Act 1988 were in force.
- (2) Subsection (1) applies until the close of 30 June 2004.
- (3) The following rates must be treated as if they were postponed rates under this Act:
- (a) rates that are postponed under the Rating Powers Act 1988, but are not payable before the commencement of this section:
  - (b) rates that are postponed under subsection (1).

#### **141 Transitional provision for rates-postponement values**

- (1) Subsection (2) applies if a rates-postponement value of farmland that is determined under section 22 of the Rating Valuations Act 1998 is entered on the valuation roll before 1 July 2003.
- (2) Sections 158(1) and (2), 159, and 163 to 166 of the Rating Powers Act 1988 continue to apply to rates on the land—
- (a) as if that Act had not been repealed; but
  - (b) with all necessary modifications as if the rates are remitted or postponed rates under this Act.

#### **142 Transitional provision for special rateable values**

- (1) This section applies if a special rateable value of land that is determined under any of sections 23 to 27 of the Rating Valuations Act 1998 is entered on the valuation roll before 1 July 2003.
- (2) Section 30 of the Rating Valuations Act 1998 continues to apply to rates on the land as if that section had not been repealed.
- (3) The special rateable value of the land must be treated as if it is the rateable value of the land for the purposes of this Act.
- (4) This section applies until the first general revaluation of the land under section 9 of the Rating Valuations Act 1998 takes place after the commencement of this section.

**143 Certain terms in other enactments must be treated as terms under this Act**

- (1) A reference in an enactment—
  - (a) to making rates must be read as including a reference to setting rates:
  - (b) to levying rates must be read as including a reference to assessing rates:
  - (c) to rateable property must be read as a reference to rateable land:
  - (d) to separately rateable property must be read as a reference to a rating unit or rating units.
- (2) A reference in an enactment to an occupier in the context of rates or rating must be read as a reference to a ratepayer.
- (3) Subsection (1) applies unless the context of an enactment otherwise requires.
- (4) Subsections (1) and (2) apply subject to sections 137 to 142 and Schedules 4 and 5.

**144 Certain terms in leases, licences, and contracts must be treated as terms under this Act**

A reference in a lease, licence, or contract—

- (a) to the making of rates must be read as including a reference to setting rates:
- (b) to the levying of rates must be read as including a reference to assessing rates.

**145 Saving relating to lump sum contributions**

- (1) Subsection (2) applies to an election to pay a lump sum contribution under section 66 of the Rating Powers Act 1988 if the election is made before the commencement of this Act.
- (2) Section 67(2)(b) and (c) of the Rating Powers Act 1988 continues to apply after the commencement of this section in respect of the contribution.

Compare: 1988 No 97 s 211

**146 Savings for rates made in accordance with classification or differential systems**

- (1) This section applies if, in the year commencing on 1 July 2002, a local authority makes and levies a rate—
  - (a) in accordance with a classification list, under section 92(1) of the Rating Powers Act 1988; or
  - (b) under section 40 or section 49 of the Rating Powers Act 1988, and in accordance with a special order under section 80 of that Act.
- (2) A local authority may set and assess a targeted rate for the purposes for which a rate described in subsection (1) is made, but the application of this Act to the targeted rate is modified as follows:

- (a) if subsection (1)(a) applies, as if each classification under the list were a category under section 17; or
  - (b) if subsection (1)(b) applies, as if each type or group of property identified in the special order were a category under section 17.
- (3) A local authority must not, in any financial year, set and assess both—
- (a) a rate under this section; and
  - (b) a targeted rate for the purposes referred to in subsection (2), otherwise than under this section.
- (4) This section applies, in respect of a local authority, until the close of a financial year in which the local authority does not set and assess a rate under this section.

Compare: 1988 No 97 s 92

#### **147 Act does not limit charging powers**

Nothing in this Act limits the effect of a provision in another Act that allows a local authority to make a charge on, or recover costs from, a person in relation to work performed for, or a service provided to, that person.

Compare: 1988 No 97 s 214



## Schedule 1 Categories of non-rateable land

s 8

### Part 1 Land fully non-rateable

- 1 Land forming part of—
  - (a) a National Park under the National Parks Act 1980:
  - (b) a reserve under the Reserves Act 1977:
  - (c) a conservation area under the Conservation Act 1987:
  - (d) a wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.
  
- 2 Land vested in the Crown and forming part of—
  - (a) a flood ponding area:
  - (b) *[Repealed]*
  - (c) *[Repealed]*
  - (d) the bed of any navigable lake or navigable river.  
Schedule 1 Part 1 clause 2(b): repealed, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).  
Schedule 1 Part 1 clause 2(c): repealed, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).
  
- 3 Land that is—
  - (a) owned by a society or association of persons (whether incorporated or not); and
  - (b) used for conservation or preservation purposes; and
  - (c) not used for private pecuniary profit; and
  - (d) able to be accessed by the general public.
  
- 4 Land used by a local authority—
  - (a) for a public garden, reserve, or children's playground:
  - (b) for games and sports (except galloping races, harness races, or greyhound races):
  - (c) for a public hall, library, athenaeum, museum, art gallery, or other similar institution:
  - (d) for public baths, swimming baths, bathhouses, or sanitary conveniences:
  - (e) for soil conservation and rivers control purposes, being land for which no revenue is received.

- 5 Land owned or used by, and for the purposes of,—
- (a) Heritage New Zealand Pouhere Taonga:
  - (b) the Queen Elizabeth the Second National Trust:
  - (c) the Museum of New Zealand Te Papa Tongarewa Board:
  - (d) the charitable trust known as Children’s Health Camps—The New Zealand Foundation for Child and Family Health and Development:
  - (e) the Royal New Zealand Foundation of the Blind, except as an endowment.

Schedule 1 Part 1 clause 5(a): replaced, on 20 May 2014, by section 107 of the Heritage New Zealand Pouhere Taonga Act 2014 (2014 No 26).

Schedule 1 Part 1 clause 5(e): amended, on 30 April 2003, by section 28(1) of the Royal New Zealand Foundation of the Blind Act 2002 (2002 No 3 (P)).

- 6 Land owned or used by, and for the purposes of,—
- (a) a special school established under section 98(1) of the Education Act 1964:
  - (b) an educational establishment defined as—
    - (i) a state school under section 2(1) of the Education Act 1989:
    - (ii) an integrated school under section 2(1) of the Private Schools Conditional Integration Act 1975:
    - (iii) a special institution under section 92(1) of the Education Act 1989:
    - (iv) an early childhood education and care centre under section 309 of the Education Act 1989, excluding any early childhood centres that operate for profit:
    - (v) a school under section 35A of the Education Act 1989, excluding any registered schools that operate for profit:
    - (vi) *[Repealed]*
  - (c) an institution under section 159(1) of the Education Act 1989.

Schedule 1 Part 1 clause 6(b)(iv): amended, on 1 December 2008, by section 60(1) of the Education Amendment Act 2006 (2006 No 19).

Schedule 1 Part 1 clause 6(b)(vi): repealed, on 24 October 2018, by section 24 of the Education Amendment Act 2018 (2018 No 40).

- 7 Land owned or used by, and for the purposes of, an institution for the instruction and training of students in theology and associated subjects, being land that does not exceed 1.5 hectares for any one institution.
- 8 Land owned or used by a district health board and used to provide health or related services (including living accommodation for hospital purposes and child welfare homes).

- 9 Land used solely or principally—
  - (a) as a place of religious worship:
  - (b) for a Sunday or Sabbath school or other form of religious education and not used for private pecuniary profit.
- 10 Land that does not exceed 2 hectares and that is used as—
  - (a) a cemetery, crematorium, or burial ground, within the meaning of section 2(1) of the Burial and Cremation Act 1964 (except a burial ground or crematorium that is owned and conducted for private pecuniary profit):
  - (b) a Māori burial ground.
- 11 Māori customary land.
- 12 Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or any corresponding former provision of that Act and—
  - (a) that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares; or
  - (b) that is a Māori reservation under section 340 of that Act.
- 13 Māori freehold land that does not exceed 2 hectares and on which a Māori meeting house is erected.
- 14 Māori freehold land that is, for the time being, non-rateable by virtue of an Order in Council made under section 116 of this Act, to the extent specified in the order.
- 15 Machinery, whether fixed to the soil or not, but excluding, in the case of a hydro-electric power station, everything other than the turbines, generator, and associated equipment through which the electricity produced by the generator passes.
- 16 Land that is specifically exempt from rates under the provisions of any other enactment, to the extent specified in the enactment.
- 17 Land vested in the Crown or a local authority that is formed and used for a road, limited access road, access way, or service lane.
- 18 Land vested in and occupied by the Crown, or by any airport authority, that is—
  - (a) within the operational area of an aerodrome; and
  - (b) used solely or principally—
    - (i) for the landing, departure, or movement of aircraft; or
    - (ii) for the loading of goods and passengers on to or from aircraft.

- 19 Land occupied by the New Zealand Railways Corporation, or by a railway operator, that is—
- (a) part of the permanent way of the railway, being land on which is sited any railway line together with contiguous areas of land that are occupied incidentally and not otherwise used; or
  - (b) used, solely or principally, for the loading or unloading of goods or passengers on to or from trains situated on the railway line.
- 20 Land used as a wharf.
- 21 Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any one institution.
- 22 Land on which any vice-regal residence or Parliament building is situated.
- 23 The common marine and coastal area, including any customary marine title area, within the meaning of the Marine and Coastal Area (Takutai Moana) Act 2011.
- Schedule 1 Part 1 clause 23: added, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).
- 24 The bed of Te Whaanga Lagoon in the Chatham Islands.
- Schedule 1 Part 1 clause 24: added, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).
- 25 Structures that are—
- (a) fixed to, or under, or over any part of the common marine and coastal area; and
  - (b) owned, or deemed to be owned, by the Crown under section 18 or 19 of the Marine and Coastal Area (Takutai Moana) Act 2011; or
  - (c) owned by the Crown, Te Urewera Board, or the trustees of Tūhoe Te Uru Taumatua under the Te Urewera Act 2014, but subject to note 2.
- Schedule 1 Part 1 clause 25: added, on 1 April 2011, by section 128 of the Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3).
- Schedule 1 Part 1 clause 25(b): amended, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).
- Schedule 1 Part 1 clause 25(c): inserted, on 28 July 2014, by section 138 of the Te Urewera Act 2014 (2014 No 51).

**Notes:**

- 1 For the purposes of this Part, unless the context otherwise requires,—  
**aerodrome** has the same meaning as in section 2 of the Civil Aviation Act 1990

**airport authority** has the same meaning as in section 2 of the Airport Authorities Act 1966

**persons in need** means persons in New Zealand who need care, support, or assistance because they are orphaned, aged, infirm, disabled, sick, or needy

**railway line** has the same meaning as in section 4(1) of the Railways Act 2005

**railway operator** has the same meaning as in section 2(1) of the New Zealand Railways Corporation Restructuring Act 1990

**wharf**—

- (a) means any quay, pier, jetty, or other land or premises in, on, or from which passengers or goods are taken on board or landed from vessels; but
  - (b) does not include land that is used primarily or exclusively for private recreational or personal transport purposes.
- 2 For the purposes of clauses 1 and 2, **land** does not include land that is used primarily or exclusively for private or commercial purposes under a lease, licence, or other agreement.
- 3 For the purposes of clauses 3, 9, and 10, land must not be treated as being used for private pecuniary profit solely because charges are made for the admission to, or use of, that land if the net proceeds of the charges are applied,—
- (a) in the case of a local authority, as part of the local authority's revenues;
  - (b) solely for the purposes of the society, organisation, association, or administering body of a reserve that makes those charges, and no part of the charges is distributed as profit to any individual.
- 4 For the purposes of clause 6, land must be treated as being used for the purposes of a school, institution, or centre described in that clause if—
- (a) it is used solely or predominantly as residential accommodation for any principal, teacher, or caretaker; and
  - (b) it is let at a discounted or subsidised rent.
- 5 For the purposes of clauses 18 to 20, **land** does not include land that is used—
- (a) for administrative purposes; or
  - (b) for the purposes of parking, the storage of freight or machinery, maintenance, cleaning, freight consolidation, passenger waiting areas, and the buying and selling of tickets.
- 6 For the purposes of clause 21, an institution must be treated as being carried on for the free maintenance and relief of the persons to whom that clause applies if—
- (a) those persons are admitted to the institution regardless of their ability to pay for the maintenance or relief; and

- (b) no charge is made to those persons or any other persons if payment of the charge would cause those persons to suffer hardship.

Schedule 1 Part 1 note 1 **railway line**: substituted, on 20 July 2005, by section 103(3) of the Railways Act 2005 (2005 No 37).

## Part 2

### Land 50% non-rateable

- 1 Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- 2 Land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- 3 Land owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts.

#### Notes:

For the purposes of this Part, unless the context otherwise requires,—

**land** does not include land used for the private pecuniary profit of any members of the society or association

**land**, in clause 2, excludes land in respect of which a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.

Schedule 1 Part 2 Notes **land**: amended, on 18 December 2013, by section 417(1) of the Sale and Supply of Alcohol Act 2012 (2012 No 120).

Compare: 1988 No 97 Schedule 1, Schedule 2

## Schedule 2

### Matters that may be used to define categories of rateable land

ss 14, 17

- 1 The use to which the land is put.
- 2 The activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.
- 3 The activities that are proposed to be permitted, controlled, or discretionary activities, and the proposed rules for the area in which the land is situated under a proposed district plan or proposed regional plan under the Resource Management Act 1991, but only if—
  - (a) no submissions in opposition have been made under clause 6 of Schedule 1 of that Act on those proposed activities or rules, and the time for making submissions has expired; or
  - (b) all submissions in opposition, and any appeals, have been determined, withdrawn, or dismissed.
- 4 The area of land within each rating unit.
- 5 The provision or availability to the land of a service provided by, or on behalf of, the local authority.
- 6 Where the land is situated.
- 7 The annual value of the land.
- 8 The capital value of the land.
- 9 The land value of the land.

### Schedule 3

#### Factors that may be used in calculating liability for targeted rates

s 18

- 1 The annual value of the rating unit.
- 2 The capital value of the rating unit.
- 3 The land value of the rating unit.
- 4 The value of improvements to the rating unit.
- 5 The area of land within the rating unit.
- 6 The area of land within the rating unit that is sealed, paved, or built on.
- 7 The number of separately used or inhabited parts of the rating unit.
- 8 The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service.
- 9 The number or nature of connections from the land within each rating unit to any local authority reticulation system.
- 10 The area of land within the rating unit that is protected by any amenity or facility that is provided by the local authority.
- 11 The area of floor space of buildings within the rating unit.
- 12 The number of water closets and urinals within the rating unit.

**Notes:**

- 1 For the purposes of clauses 1 to 5, 8, and 10, **rating unit** includes part of a rating unit.
- 2 For the purposes of clause 4, **value of improvements** is the value calculated in accordance with the following formula:

$$c - l$$

where—

- c is the capital value of the rating unit
- l is the land value of the rating unit.
- 3 For the purposes of clause 8, the extent of provision of a service to the land must be measured objectively and be able to be verified.
- 4 For the purposes of clause 12, a rating unit used primarily as a residence for 1 household must not be treated as having more than 1 water closet or urinal.



## **Schedule 3A**

### **Lump sum contributions**

ss 117E(1), 117G(2)

Schedule 3A: inserted, on 28 June 2006, by section 11 of the Local Government (Rating) Amendment Act 2006 (2006 No 28).

#### **Part 1**

#### **Matters to be included in capital project funding plan**

A capital project funding plan must—

- (a) specify the capital project; and
- (b) state its proposed start date; and
- (c) state—
  - (i) its total estimated cost; and
  - (ii) the estimated amount to be funded by—
    - (A) lump sum contributions;
    - (B) targeted rates (including targeted rates in relation to any loan or loans if the funding for the project will be or will include a loan or loans);
    - (C) other revenue of the local authority (if any); and
- (d) if 1 or more targeted rates are to be set to fund the project, state—
  - (i) the categories of rating unit to be liable for each rate; and
  - (ii) the estimated total number of rating units liable for each rate; and
  - (iii) how the liability for each targeted rate is to be calculated; and
  - (iv) the circumstances (if any) under which the categories of rating unit to be liable for each rate will change; and
  - (v) the circumstances (if any) under which the calculation of each targeted rate will change; and
- (e) state—
  - (i) how lump sum contributions will be calculated; and
  - (ii) the proposed timetable for inviting the contributions (including the proposed latest date by which an eligible ratepayer may elect to make a contribution); and
  - (iii) the proposed due date or dates for the contribution payments; and
  - (iv) the targeted rate or targeted rates that a rating unit would be liable for, the estimated amount of those rates, and the estimated number of years for which those rates would be required, if a lump sum contribution was not made in respect of the unit; and

- (v) the targeted rate or targeted rates that a rating unit would be liable for even if a lump sum contribution was made in respect of the unit; and
- (f) include any matters that the local authority must be satisfied of before it will proceed with either the project or the invitation of lump sum contributions (including any minimum level of contributions required) from its eligible rate-payers; and
- (g) state—
  - (i) the estimated date—
    - (A) of the completion of the project;
    - (B) on which the total costs of the project will be known; and
  - (ii) whether at the date on which the total costs of the project will be known, the lump sum contributions made to the project will be recalculated; and
  - (iii) if so,—
    - (A) what factors would cause a recalculation (for example, a change in the estimated cost of the project or the number of rating units funding the project); and
    - (B) how the recalculation would be made; and
    - (C) how any refunds or further contributions (as the case may be) would be dealt with; and
- (h) state the proposed date that the funding plan will expire (which must not be a date that is earlier than the date on which the total costs of the project have been paid).

## Part 2

### **Matters to be included in invitation to make lump sum contribution**

An invitation must—

- (a) specify the capital project that the lump sum contribution will fund or partially fund; and
- (b) specify the targeted rate or targeted rates that the rating unit would be liable for, the estimated amount of those rates, and the estimated number of years for which those rates would be required, if a lump sum contribution was not made in respect of the unit; and
- (c) state the targeted rate or targeted rates that the rating unit would be liable for even if a lump sum contribution was made in respect of the rating unit; and
- (d) state the estimated total amount of the lump sum contribution to be paid and how it will be calculated; and
- (e) state whether the local authority will be recalculating the lump sum contribution once the total costs of the project are known and, if so,—

- (i) what factors would cause a recalculation (for example, a change in the estimated cost of the project or the number of rating units funding the project); and
- (ii) how the recalculation would be made; and
- (iii) how any refunds or further contributions (as the case may be) would be dealt with; and
- (f) summarise the consequences for the ratepayer in relation to making a lump sum contribution—
  - (i) if the rating unit is subdivided:
  - (ii) if the rating unit is sold or the ratepayer otherwise is no longer the ratepayer in respect of the rating unit:
  - (iii) if the number of rating units contributing to the cost of the capital project changed:
  - (iv) if the calculation of any targeted rate applying to the rating unit changed:
  - (v) if the cost of the capital project changed; and
- (g) state the date for payment of a lump sum contribution or, if the payment is to be by instalments, the dates for payment; and
- (h) state the consequences for the ratepayer of any late payment of a lump sum contribution; and
- (i) state how and the final date by which the ratepayer must elect to make a lump sum contribution; and
- (j) include any matters that the local authority must be satisfied of before it will proceed with either the project or the invitation of lump sum contributions (including any minimum level of contributions required) from its eligible ratepayers; and
- (k) specify any other terms applying to the making of a lump sum contribution by the ratepayer.

## Schedule 4 Amendments to Rating Valuations Act 1998

s 137

**Section 2(1)***Amendment(s) incorporated in the Act(s).***Section 4(2)***Amendment(s) incorporated in the Act(s).***Section 5(1)***Amendment(s) incorporated in the Act(s).***New sections 5A to 5C***Amendment(s) incorporated in the Act(s).***Section 6***Amendment(s) incorporated in the Act(s).***Section 7***Amendment(s) incorporated in the Act(s).***Section 9(1)***Amendment(s) incorporated in the Act(s).***Section 11(2)***Amendment(s) incorporated in the Act(s).***Section 12***Amendment(s) incorporated in the Act(s).***Section 13***Amendment(s) incorporated in the Act(s).***Section 14***Amendment(s) incorporated in the Act(s).***Section 15***Amendment(s) incorporated in the Act(s).***Section 16***Amendment(s) incorporated in the Act(s).*

**Section 17**

*Amendment(s) incorporated in the Act(s).*

**Heading immediately before section 18**

*Amendment(s) incorporated in the Act(s).*

**Sections 18 and 19**

*Amendment(s) incorporated in the Act(s).*

**Section 20**

*Amendment(s) incorporated in the Act(s).*

**Section 21**

*Amendment(s) incorporated in the Act(s).*

**Sections 22 to 31**

*Amendment(s) incorporated in the Act(s).*

**Section 32**

*Amendment(s) incorporated in the Act(s).*

**Section 33**

*Amendment(s) incorporated in the Act(s).*

**Section 34(1)**

*Amendment(s) incorporated in the Act(s).*

**Section 35**

*Amendment(s) incorporated in the Act(s).*

**Section 36(c)**

*Amendment(s) incorporated in the Act(s).*

**Section 37(2)(b)**

*Amendment(s) incorporated in the Act(s).*

**Section 40**

*Amendment(s) incorporated in the Act(s).*

**Section 41**

*Amendment(s) incorporated in the Act(s).*

**Section 43**

*Amendment(s) incorporated in the Act(s).*

**Section 44**

*Amendment(s) incorporated in the Act(s).*

**Section 46**

*Amendment(s) incorporated in the Act(s).*

**Section 51**

*Amendment(s) incorporated in the Act(s).*

**Section 52(1)(f)**

*Amendment(s) incorporated in the Act(s).*

## Schedule 5 Amendments to other Acts and regulations

s 137

### Part 1

#### Amendments to other Acts (other than local and private Acts)

**Biosecurity Act 1993 (1993 No 95)**

*Amendment(s) incorporated in the Act(s).*

**Building Act 1991 (1991 No 150)**

*Amendment(s) incorporated in the Act(s).*

**Carter Observatory Act 1938 (1938 No 9)**

*Amendment(s) incorporated in the Act(s).*

**Chatham Islands Council Act 1995 (1995 No 41)**

*Amendment(s) incorporated in the Act(s).*

**Electricity Act 1992 (1992 No 122)**

*Amendment(s) incorporated in the Act(s).*

**Gas Act 1992 (1992 No 124)**

*Amendment(s) incorporated in the Act(s).*

**Goods and Services Tax Act 1985 (1985 No 141)**

*Amendment(s) incorporated in the Act(s).*

**Historic Places Act 1993 (1993 No 38)**

*Amendment(s) incorporated in the Act(s).*

**Housing Assets Transfer Act 1993 (1993 No 50)**

*Amendment(s) incorporated in the Act(s).*

**Irrigation Schemes Act 1990 (1990 No 52)**

*Amendment(s) incorporated in the Act(s).*

**Land Act 1948 (1948 No 64)**

*Amendment(s) incorporated in the Act(s).*

**Land Drainage Act 1908 (1908 No 96)**

*Amendment(s) incorporated in the Act(s).*

**Land Transfer Act 1952 (1952 No 52)**

*Amendment(s) incorporated in the Act(s).*

**Local Government Act 1974 (1974 No 66)**

*Amendment(s) incorporated in the Act(s).*

**Maori Purposes Act 1931 (1931 No 32)**

*Amendment(s) incorporated in the Act(s).*

**Maori Purposes Act 1936 (1936 No 56)**

*Amendment(s) incorporated in the Act(s).*

**Maori Purposes Act 1947 (1947 No 59)**

*Amendment(s) incorporated in the Act(s).*

**Maori Purposes Act 1969 (1969 No 127)**

*Amendment(s) incorporated in the Act(s).*

**Maori Reserved Land Act 1955 (1955 No 38)**

*Amendment(s) incorporated in the Act(s).*

**Maori Vested Lands Administration Act 1954 (1954 No 60)**

*Amendment(s) incorporated in the Act(s).*

**Ngāi Tahu Claims Settlement Act 1998 (1998 No 97)**

*Amendment(s) incorporated in the Act(s).*

**Orakei Act 1991 (1991 No 122)**

*Amendment(s) incorporated in the Act(s).*

**Privacy Act 1993 (1993 No 28)**

*Amendment(s) incorporated in the Act(s).*

**Railway Safety and Corridor Management Act 1992 (1992 No 111)**

*Amendment(s) incorporated in the Act(s).*

**Rates Rebate Act 1973 (1973 No 5)**

*Amendment(s) incorporated in the Act(s).*

**Reserves Act 1977 (1977 No 66)**

*Amendment(s) incorporated in the Act(s).*

**River Boards Act 1908 (1908 No 165)**

*Amendment(s) incorporated in the Act(s).*



**Soil Conservation and Rivers Control Amendment Act 1946 (1946 No 29)**

*Amendment(s) incorporated in the Act(s).*

**Soil Conservation and Rivers Control Amendment Act 1948 (1948 No 40)**

*Amendment(s) incorporated in the Act(s).*

**Statutory Land Charges Registration Act 1928 (1928 No 18)**

*Amendment(s) incorporated in the Act(s).*

**Taupiri Drainage and River District Act 1929 (1929 No 23)**

*Amendment(s) incorporated in the Act(s).*

**Tutae-Ka-Wetoweto Forest Act 2001 (2001 No 48)**

*Amendment(s) incorporated in the Act(s).*

**Waitangi National Trust Board Act 1932 (1932 No 28)**

*Amendment(s) incorporated in the Act(s).*

**Waitutu Block Settlement Act 1997 (1997 No 84)**

*Amendment(s) incorporated in the Act(s).*

**Part 2**

**Local and private Acts amended**

**Auckland Harbour Board (Princes Wharf) Empowering Act 1989 (1989 No 8 (L))**

*Amendment(s) incorporated in the Act(s).*

**Auckland War Memorial Museum Act 1996 (1996 No 4 (L))**

*Amendment(s) incorporated in the Act(s).*

**Canterbury Museum Trust Board Act 1993 (1993 No 4 (L))**

*Amendment(s) incorporated in the Act(s).*

**Christchurch District Drainage Act 1951 (1951 No 21 (L))**

*Amendment(s) incorporated in the Act(s).*

**Dunedin District Drainage and Sewerage Act 1900 (1900 No 25 (L))**

*Amendment(s) incorporated in the Act(s).*

**Hawke's Bay Regional Council (Surplus Funds Distribution) Empowering Act 1999 (1999 No 4 (L))**

*Amendment(s) incorporated in the Act(s).*

**Museum of Transport and Technology Act 2000 (2000 No 1 (P))**

*Amendment(s) incorporated in the Act(s).*

**North Shore Drainage Act 1963 (1963 No 15 (L))**

*Amendment(s) incorporated in the Act(s).*

**Otago Museum Trust Board Act 1996 (1996 No 1 (L))**

*Amendment(s) incorporated in the Act(s).*

**Wellington Regional Council (Stadium Empowering) Act 1996 (1996 No 5 (L))**

*Amendment(s) incorporated in the Act(s).*

### **Part 3**

#### **Regulations amended**

**Biosecurity (Bovine Tuberculosis—Otago Land Levy) Order 1998 (SR 1998/442)**

*Amendment(s) incorporated in the order(s).*

**Commodity Levies (Nashi Asian Pears) Order 1999 (SR 1999/221)**

*Amendment(s) incorporated in the order(s).*

**Commodity Levies (Pipfruit) Order 2000 (SR 2000/258)**

*Amendment(s) incorporated in the order(s).*

**Domestic Violence Act Commencement Order 1998 (SR 1998/343)**

*Amendment(s) incorporated in the order(s).*

**Fire Safety and Evacuation of Buildings Regulations 1992 (SR 1992/361)**

*Amendment(s) incorporated in the regulations.*

**Local Government (Electoral) Regulations 1992 (SR 1992/62)**

*Amendment(s) incorporated in the regulations.*

**Maori Land Court Rules 1994 (SR 1994/35)**

*Amendment(s) incorporated in the rules.*

**Rating (Fees) Regulations 1997 (SR 1997/325)**

*Amendment(s) incorporated in the regulations.*

**Rating Valuations (Local Authority Charges) Regulations 1999 (SR 1999/146)**

*Amendment(s) incorporated in the regulations.*

**Rating Valuations Regulations 1998 (SR 1998/177)**

*Amendment(s) incorporated in the regulations.*

## Schedule 6

### Repeals and revocations

s 138

#### Part 1

#### Enactments repealed

**Children's Health Camps Board Dissolution Act 1999 (1999 No 141)***Amendment(s) incorporated in the Act(s).***District Courts Amendment Act 1998 (1998 No 76)***Amendment(s) incorporated in the Act(s).***Health Act 1956 (1956 No 65)***Amendment(s) incorporated in the Act(s).***Health Sector (Transfers) Act 1993 (1993 No 23)***Amendment(s) incorporated in the Act(s).***Local Authorities Empowering Act 1915 (1915 No 10)****Local Government Amendment Act (No 3) 1996 (1996 No 83)***Amendment(s) incorporated in the Act(s).***Local Government Reform (Transitional Provisions) Act 1990 (1990 No 27)****Local Legislation Act 1927 (1927 No 58)***Amendment(s) incorporated in the Act(s).***Local Legislation Act 1932–33 (1932–33 No 47)***Amendment(s) incorporated in the Act(s).***Local Legislation Act 1933 (1933 No 46)***Amendment(s) incorporated in the Act(s).***Local Legislation Act 1935 (1935 No 33)***Amendment(s) incorporated in the Act(s).***Local Legislation Act 1936 (1936 No 54)***Amendment(s) incorporated in the Act(s).***Local Legislation Act 1937 (1937 No 25)***Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1940 (1940 No 16)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1941 (1941 No 23)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1943 (1943 No 17)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1944 (1944 No 23)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1949 (1949 No 35)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1952 (1952 No 68)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1954 (1954 No 57)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1955 (1955 No 86)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1959 (1959 No 92)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1960 (1960 No 107)**

*Amendment(s) incorporated in the Act(s).*

**Local Legislation Act 1983 (1983 No 8)**

*Amendment(s) incorporated in the Act(s).*

**Manawatu Gorge Road and Bridge Act 1919 (1919 No 10)**

**Museum of New Zealand Te Papa Tongarewa Act 1992 (1992 No 19)**

*Amendment(s) incorporated in the Act(s).*

**New Zealand Public Health and Disability Act 2000 (2000 No 91)**

*Amendment(s) incorporated in the Act(s).*

**New Zealand Railways Corporation Restructuring Act 1990 (1990 No 105)**

*Amendment(s) incorporated in the Act(s).*

**Public Bodies Leases Act 1969 (1969 No 141)**

*Amendment(s) incorporated in the Act(s).*

**Public Works Act 1981 (1981 No 35)**

*Amendment(s) incorporated in the Act(s).*

**Rating Powers Act 1988 (1988 No 97)****Reserves and Other Lands Disposal Act 1934 (1934 No 32)**

*Amendment(s) incorporated in the Act(s).*

**Reserves and Other Lands Disposal Act 1949 (1949 No 34)**

*Amendment(s) incorporated in the Act(s).*

**Reserves and Other Lands Disposal and Public Bodies Empowering Act 1914 (1914 No 70)**

*Amendment(s) incorporated in the Act(s).*

**Reserves and Other Lands Disposal and Public Bodies Empowering Act 1919 (1919 No 54)**

*Amendment(s) incorporated in the Act(s).*

**Reserves and Other Lands Disposal and Public Bodies Empowering Act 1922 (1922 No 50)**

*Amendment(s) incorporated in the Act(s).*

**Reserves and Other Lands Disposal and Public Bodies Empowering Act 1924 (1924 No 55)**

*Amendment(s) incorporated in the Act(s).*

**Resource Management Act 1991 (1991 No 69)**

*Amendment(s) incorporated in the Act(s).*

**Soil Conservation and Rivers Control Act 1941 (1941 No 12)**

*Amendment(s) incorporated in the Act(s).*

**Taiari River Improvement Act 1920 (1920 No 20)**

*Amendment(s) incorporated in the Act(s).*

**Taiari River Improvement Amendment Act 1921 (1921 No 9 (L))****Waikato and King Country Counties Act 1921–22 (1921–22 No 64)****Wildlife Act 1953 (1953 No 31)**

*Amendment(s) incorporated in the Act(s).*

**Part 2**  
**Regulations revoked**

**Rating Regulations 1968 (SR 1968/41)**

---

## Local Government (Rating) Amendment Act 2006

Public Act	2006 No 28
Date of assent	27 June 2006
Commencement	see section 2

### 1 Title

This Act is the Local Government (Rating) Amendment Act 2006.

### 2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

#### *Transitional provisions*

### 12 Transitional provision in relation to amended rates assessments for errors in rating information database or rates record

The amendments made by sections 6 and 8 of this Act do not apply to any objection under section 29 of the principal Act made before the commencement of this Act.

### 13 Transitional provision in relation to long-term council community plans for period beginning on 1 July 2006

Any amendments made by this Act that have the effect of requiring an amendment to a long-term council community plan (to ensure that it complies with the requirements of the principal Act, as amended by this Act)—

- (a) do not apply to a long-term council community plan to which section 280 of the Local Government Act 2002 applies, whether it is adopted before or after the commencement of this Act; but
- (b) do apply to any amendment made to a long-term council community plan to which section 280 of the Local Government Act 2002 applies adopted after the commencement of this Act.



## **Reprints notes**

### **1    *General***

This is a reprint of the Local Government (Rating) Act 2002 that incorporates all the amendments to that Act as at the date of the last amendment to it.

### **2    *Legal status***

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### **3    *Editorial and format changes***

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### **4    *Amendments incorporated in this reprint***

Local Government Regulatory Systems Amendment Act 2019 (2019 No 6): Part 6

Education Amendment Act 2018 (2018 No 40): section 24

Land Transfer Act 2017 (2017 No 30): section 250

Local Government (Rating) Amendment Act 2016 (2016 No 65)

District Court Act 2016 (2016 No 49): section 261

Senior Courts Act 2016 (2016 No 48): section 183(b), (c)

Te Urewera Act 2014 (2014 No 51): section 138

Heritage New Zealand Pouhere Taonga Act 2014 (2014 No 26): section 107

Sale and Supply of Alcohol Act 2012 (2012 No 120): section 417(1)

Marine and Coastal Area (Takutai Moana) Act 2011 (2011 No 3): section 128

Limitation Act 2010 (2010 No 110): section 58

Local Government Act 2002 Amendment Act 2010: section 50

Local Government (Rating) Amendment Act 2006 (2006 No 28)

Education Amendment Act 2006 (2006 No 19): section 60(1)

Railways Act 2005 (2005 No 37): section 103(3)

Local Government (Rating) Amendment Act 2004 (2004 No 66)

Local Government (Rating) Amendment Act 2003 (2003 No 83)

Local Government Act 2002 (2002 No 84): section 262

Royal New Zealand Foundation of the Blind Act 2002 (2002 No 3 (P)): section 28(1)

