

**Rates Rebate (Retirement Village Residents) Amendment
Bill**

Member's Bill

As reported from the committee of the whole House

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Amendment Bill**

Key to symbols used in reprinted bill

As reported from the committee of the whole House

text inserted

~~text deleted~~

Hon Ruth Dyson

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Rates Rebate (Retirement Village Residents) Amendment Act **2016**.

2 Commencement

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

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent, but only for the purpose of rates in a rating year that begins on or after 1 July 2018.

3 Principal Act

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This Act amends the Rates Rebate Act 1973 (the **principal Act**).

4 Section 2 amended (Interpretation)

(1) In section 2(1), replace the definition of **ratepayer** with:

ratepayer means a person who is 1 or both of the following:

- (a) a ratepayer within the meaning given to that term in section 11 of the Local Government (Rating) Act 2002: 10
- (b) a resident of a retirement village who pays rates, directly or indirectly, in connection with an occupation right agreement with the operator of the retirement village

(1) In section 2(1), replace the definition of **residential property** with: 15

residential property means—

- (a) a rating unit under the Local Government (Rating) Act 2002 that is used as the usual place of residence of the ratepayer at the commencement of the rating year in respect of which an application for a rebate under this Act is made, but does not include any unit that is also used principally for commercial or industrial or business or farming purposes; or 20
- (b) a rating unit under the Local Government (Rating) Act 2002 that is used as a retirement village at the commencement of the rating year in respect of which an application for a refund under **section 7A** is made

(2) In section 2(1), insert in their appropriate alphabetical order: 25

occupation right agreement has the same meaning as in section 5 of the Retirement Villages Act 2003

operator has the same meaning as in section 5 of the Retirement Villages Act 2003

resident has the same meaning as in section 5 of the Retirement Villages Act 2003 30

residential unit has the same meaning as in section 5 of the Retirement Villages Act 2003

retirement village has the meaning specified in section 6 of the Retirement Villages Act 2003 35

5 New section 7A inserted (Refund to resident of retirement village of contribution towards rates)

After section 7, insert:

7A Refund to resident of retirement village of contribution towards rates

- (1) This section applies to a resident of a retirement village— 5
- (a) who has a residential unit in the retirement village that is not separately rated; and
 - (b) who contributes to the outgoings of the retirement village.
- (2) A resident may apply for a refund of the amount of the rates contribution that the resident would be entitled to receive as a rebate under section 3 if— 10
- (a) the residential unit were separately rated and the resident were the rate-payer; and
 - (b) the amount of the resident's rates contribution in any rating year is the amount of the rates payable in respect of the residential unit for that rating year. 15
- (3) For the purpose of calculating a resident's income in accordance with section 3 (as applied by **subsection (2)**), the resident's income for the preceding tax year includes the income for that tax year of a spouse, a partner, or any other person who was ordinarily resident in the residential unit at the commencement of the rating year for which an application for a refund is made. 20
- (4) An application for a refund must—
- (a) be made on a form provided for the purpose by the Secretary for Local Government; and
 - (b) be verified by the declaration of the resident; and
 - (c) be accompanied by a certificate in writing signed by the operator of the retirement village specifying— 25
 - (i) the total amount of the rates payable in respect of that retirement village for the rating year; and
 - (ii) the amount of the resident's rates contribution, and if **subsection (5)** applies, the amount of the resident's annual contribution and the total amount of the annual contributions made by all residents of the retirement village; and 30
 - (iii) that the resident's rates contribution was made under a written agreement between the operator and the resident; and
 - (d) be left at the public office of the territorial authority in whose district the property is situated (whether the rates are payable to that territorial authority or to any other local authority) or be sent by post addressed to that office. 35

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- (5) If no part of the resident’s annual contribution to the outgoings of the retirement village is specifically made in respect of rates, then, for the purposes of this section, the resident is deemed to have contributed in respect of rates an amount that bears to the total amount of rates payable in respect of the retirement village the same proportion as the amount of the resident’s contribution bears to the total amount of the contributions of all the residents of the retirement village. 5
- (6) After being satisfied that the application has been properly completed, the chief executive of the territorial authority, or an officer authorised by the chief executive for the purpose, must— 10
- (a) credit any refund amount to the rates account of the retirement village and notify the operator and the resident in accordance with **subsection (8)**; or
- (b) if the resident requests, pay any refund amount to the resident.
- (7) On receipt of a refund amount under **subsection (6)(a)**, the operator must— 15
- (a) credit the refund amount to any amount that the resident owes, or may be liable to pay, as a contribution to the outgoings of the retirement village;
or
- (b) pay the refund amount to the resident.
- (8) A notice under **subsection (6)(a)** must state the resident’s name, the refund amount, the rating year that the refund amount applies to, and when the refund amount was credited. 20
- (9) Section 5(4) applies to the application with all necessary modifications.
- (10) In this section, **rates contribution** means, in relation to a resident of a retirement village, that part of the resident’s contribution to the outgoings of the retirement village that is made (whether specifically or by virtue of **subclause (5)**) towards the rates payable in respect of the retirement village. 25

6 Section 9 amended (Refund to territorial authorities of rebates granted)

In section 9(1), replace—

- (a) “paragraph (d) of subsection (1) of section 8) or a refund of rates under section 6 or section 7” with “section 8(1)(d) or any person has been granted a refund of rates under section 6, 7, or **7A**”; and 30
- (b) “the provisions of the said section 5 or section 6 or section 7” with “section 5, 6, 7, or **7A**”.

7 Section 10 amended (Recovery of overpayments) 35

- (1) In section 10(1)(a), replace “paragraph (d) of subsection (1) of section 8) or a refund of rates under section 6 or section 7” with “section 8(1)(d) or any person has been granted a refund of rates under section 6, 7, or **7A**”.
- (2) In section 10(1)(b), after “ratepayer”, insert “or person”.

- (3) In section 10(2)(a), replace “section 5 or section 6” with “section 5, 6, 7, or **7A**”.
- (4) In section 10(2)(b), after “ratepayer”, insert “or person”.
- (5) In section 10(2), after “recovered from the ratepayer”, insert “or person”.

Legislative history

5 May 2016
9 November 2016

30 June 2017
29 November 2017
13 December 2017

Introduction (Bill 132–1)
First reading and referral to Local Government and Environment
Committee
Reported from Local Government and Environment Committee
Second reading
Committee of the whole House (Bill 132–2)
Third reading