

Rates remission on Māori freehold land

Relevant legislation

Local Government (Rating) Act 2002, section 114
Local Government Act 2002, sections 102, 108 and Schedule 11

Interpretation

Māori Freehold Land means:

- a) Land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court (as defined in Local Government (Rating) Act 2002); or
- b) At Council's discretion, former Māori freehold land whose status was changed to general land by the 1967 Status Declaration legislation.

General approach

This policy aims to:

- a) Contribute to the fair and equitable collection of rates from all sectors of the community, whilst recognising that certain Māori lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates;
- b) Identify Māori freehold land that qualifies for longer term remission due to limited productive use or the presence of special features; and
- c) Implement rates remissions on Māori freehold land and write off of rate arrears and penalties, subject to the conditions and criteria set out in this policy.

Objectives

- a) To recognise situations where there is no trust, person or owner gaining an economic or financial benefit from the land;
- b) To recognise and take into account the importance of the land for community goals relating to:
 - The preservation of the natural character of the coastal environment;
 - The protection of natural features;
 - The protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- c) To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- d) To recognise matters related to the physical accessibility of the land;
- e) To avoid further alienation of Māori freehold land;
- f) To recognise and support the relationship with Māori and their culture and traditions with their ancestral land;

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- g) Where part only of a block is occupied, to grant remission for the portion of the land not occupied;
- h) To facilitate and encourage economic development on Māori freehold land in order to increase the productive capacity of underutilised land, thereby generating economic or financial benefit for land owners.

Postponement of rates

Council's policy does not provide for the postponement of rates on Māori freehold land, as security cannot be taken against Māori freehold land for postponed rates. Council will remit rates where it considers rates relief is appropriate, as set out in Parts One to Four of this policy.

Part One: Remissions for limited productive use

Council will consider placing Māori freehold land on the Annual Remissions List where it meets the following conditions and criteria:

Idle and unoccupied lots

Council will place unoccupied land on the Annual Remissions List where it considers that the land:

- a) Is idle and is not being used for any productive purpose, or may be too small to be productive;
- b) does not generate any economic or financial benefit for any person; and
- c) has no immediate possibility of development.

Unique features

Council will place wholly or partially unoccupied Māori freehold land on the Annual Remissions List where it considers that the land:

- a) Contains indigenous forest of high ecological value;
- b) Provides traditional and important food source for tangata whenua;
- c) Provides a traditional and important source for cultural, medicinal and spiritual needs of tangata whenua;
- d) Has demonstrable strong spiritual and symbolic significance to iwi/hapu/whanau, above and beyond that of other Māori land;
- e) Includes important tribal landmarks significant to tangata whenua; and/or
- f) Is an important water catchment system to tangata whenua for sustaining physical and spiritual values.

Council will also have regard to whether the land:

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- a) Has road access and/or access to other services;
- b) Is contiguous with forest reserves;
- c) Is complementary to Marae Reserve Areas (as determined by the Māori Land Court);
- d) Is high land or dispersed blocks of bush land;
- e) Offers protection of low land development and investment in roads;
- f) Complements water catchment areas; or
- g) Enhances wildlife areas.

Part Two: Remissions for economic development

Council will consider remission of rates on Māori freehold land as set out below, for a maximum period of 5 years:

The maximum rates to be written off are:

Year 1	Not more than 80% written off in year one
Year 2	Not more than 60% written off in year two
Year 3	Not more than 40% written off in year three
Year 4	Not more than 20% written off in year four
Year 5	Full rates payable in year five

In considering any application for remission under Part Two, Council will need to be satisfied that:

- a) the projected cash flow shows an increase in the annual cash surplus over the period;
- b) the projected cash flow is realistic and can be achieved;
- c) the economic development proposal is likely to generate sufficient cash surplus so as to cover full rates following the period of remission;
- d) the proposal is viable under the District Plan and any other bylaws or regulations that may apply to the proposal; and
- e) there are no outstanding rates arrears due on the land (Note: Council may waive this requirement at its sole discretion).

Where rates have been remitted for economic development, Council will require an Annual Report to be provided by the applicant by no later than 1 June in each year, in order for the remissions to continue in the following rating year. The Annual Report must include to Council's satisfaction:

- a) Annual accounts, prepared by a suitably qualified person;
- b) Projected cash flow for the remaining rating years for which the remission applies; and
- c) A brief description on progress and milestones achieved in implementing the economic development proposal for which remission has been granted.

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Part Three: Apportionments for multiple dwellings

Council will consider creating apportionments on land where there is more than one dwelling.

This means the rates payable will be divided pro rata, based on the area occupied by each dwelling on the land. Each apportionment will be no less than 666m².

Where part of the land is unutilised, a separate apportionment shall be created for this residue amount. The residue shall be placed on the Annual Remission List until such a time as the land becomes utilised.

Part Four: Arrears and penalties

At Council's sole discretion, it may write off arrears and penalties for land that has limited productive use, having regard to:

- a) any targeted rates applicable to the land; and
- b) Whether the rates are likely to accumulate to the point where they are not recoverable in a court of law after a period of six years in accordance with the Limitation Act 2010.

Residues created through apportionments may have the portion of arrears and penalties that relate to the residue written off at Council's sole discretion, having regard to (a) and (b) above.

Where Māori freehold land is not otherwise eligible for a remission under any other section of this policy, Council will negotiate with the land owner to write off all arrears and penalties if current rates are met over a period of 5 years.

Applications for remission

Applications should be made no later than 1 June prior to the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.

All applications made for remission under Parts One to Four of this policy must be in writing and include to Council's satisfaction:

- a) Confirmation that the land is Māori freehold land, as defined in this policy;
- b) Identification of each title for which the application for remission applies. This is expected to include photographs, valuation data and any relevant legal documentation associated with the land's title or status. Council reserves the right to require a site inspection by Council officers for any new applications for remission.
- c) Confirmation that the applicant:
 - Is identified owner for entering on rating records pursuant to Section 92 Local Government (Rating) Act 2002; and
 - Has agreement from the landowners or Trust for the application to be made.

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Remission applications made for economic development (Part Two) must also include to Council's satisfaction:

- a) A description of the economic development proposal that the landowner(s) intend to undertake;
- b) Demonstration that the proposal is viable under the District Plan and any other bylaws or regulations that may apply to the proposal;
- c) Annual accounts and cash flow statements for the previous 3 years prepared by suitably qualified persons; and
- d) A projected cash flow prepared by a suitably qualified person, covering the period of remission the application seeks (to a maximum of 5 years).

Policy Procedures

Council staff will support Māori freehold land owners in preparing applications for remission.

Applications for remission that contain all relevant information as set out in this policy will be processed within 20 working days of receipt.

Unsuccessful applicants will be advised of the reason(s) why the application was declined, and will be given the opportunity to resubmit the application.

Annual Remission Lists shall be submitted to Council for information at the end of each rating year.

Any Māori freehold land that is granted a remission under Part One, due to containing indigenous forest of high ecological value, will be entered on to Council's Bush Lots Register.

The Bush Lots Register shall be checked every four years to verify the use of land on the register has remained the same. Where the land has been developed, Council will establish status of the land in question, and determine any rates that will apply as a result.

Decisions under this policy will be delegated to officers in accordance with Council's delegations register.

Associated policies

Rates postponement for financial hardship

Rates postponement for over 65s

Group	Financial Services	Contact (3rd Tier Manager)	Team Leader Financial Services
Supersedes	Confirmed with adoption of the LTP – 2015-25		
Creation Date		Resolution Reference	
Last Review Date	June 2012	Resolution Reference	
Review Cycle	LGA s109 requirement to review at least once every 6 years	Date	7 June 2022
Authorised by	Council	Date	7 June 2016