

**Local Government (Rating of Whenua Māori)  
Amendment Bill**

Government Bill

As reported from the committee of the whole House



**Local Government (Rating of Whenua Māori)  
Amendment Bill**

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**Key to symbols used in reprinted bill**

**As reported from the committee of the whole House**

text inserted

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*Hon Nanaia Mahuta*

# **Local Government (Rating of Whenua Māori) Amendment Bill**

Government Bill

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*Amendment to Local Government Act 2002*

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| 51 | Amendment to Local Government Act 2002 | 26 |
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| 52         | Section 102 amended (Funding and financial policies)  | 26        |
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| 56         | Amendments to Rates Rebate Act 1973   | 27        |
| 57         | Section 2 amended (Interpretation)  | 27        |
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| <u>57A</u> | <u>Amendments to Urban Development Act 2020</u>   | <u>27</u> |
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| <u>57D</u> | <u>Section 190 amended (Kāinga Ora may set rates again within same financial year)</u>  | <u>28</u> |
| <u>57E</u> | <u>Section 192 amended (Due date or dates for payment)</u>  | <u>28</u> |
| <u>57F</u> | <u>Section 194 amended (When excess rates are refunded to ratepayers)</u>   | <u>28</u> |
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| <u>57I</u> | <u>Section 203 amended (Rates invoice)</u>  | <u>28</u> |
| <u>57J</u> | <u>Section 205 amended (When Kāinga Ora may recover unpaid rates)</u>   | <u>28</u> |
| <u>57K</u> | <u>Section 206 amended (Application of Local Government (Rating) Act 2002: calculation, payment, and recovery)</u>                              | <u>28</u> |
| <u>57L</u> | <u>Section 207 amended (Remission of rates)</u>   | <u>29</u> |
| <u>57M</u> | <u>Section 208 amended (Recording remitted rates)</u>   | <u>29</u> |
| <u>57N</u> | <u>Section 209 amended (Postponement of requirement to pay rates)</u>   | <u>29</u> |
| <u>57O</u> | <u>New section 210A and cross-heading inserted</u>  | <u>29</u> |
|            | <i>Write-off of rates</i>   |           |
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| <u>57P</u> | <u>Section 211 amended (Application of Local Government (Rating) Act 2002: rating of Māori freehold land)</u>                                   | <u>29</u> |

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| cl 1  |   |           |
| <u>57Q</u>  | <u>Section 212 amended (Rating information database to include information on targeted rates)</u> | <u>30</u> |
| <u>57R</u>  | <u>Section 213 amended (Rates records to include information on targeted rates)</u>               | <u>30</u> |
|   | <i>Amendment to Māori Land Court Fees Regulations 2013</i>  |           |
| 58  | Amendment to Māori Land Court Fees Regulations 2013   | 30        |
| 59  | Schedule amended  | 30        |
|   | <b>Schedule</b>   | <b>31</b> |
|   | <b>New Schedule 1AA inserted</b>  |           |
|   | <b>Schedule 2</b>   | <b>32</b> |
|   | <b><u>New Part 4 inserted in Schedule 1AA of Local Government Act 2002</u></b>                    |           |

**The Parliament of New Zealand enacts as follows:**

- 1 Title**
- This Act is the Local Government (Rating of Whenua Māori) Amendment Act **2020**.
- 2 Commencement** 5
- This Act comes into force as follows:
- (a) the following provisions come into force on **1 July 2021**:
- (i) **~~section 6:~~**
  - (i) **sections 6 to 8:**
  - (ia) **section 9(1):** 10
  - (ii) **sections 11 to 23:**
  - (iii) **sections 25 to 32:**
  - (iv) **section 34:**
  - (v) **sections 40 to 46:**
  - (vi) **section 50:** 15
  - (via) **sections 50B to 50N:**
  - (vib) **section 50O(1)**
  - (vic) **sections 50P and 50Q:**
  - (vid) **sections 50T to 52:**
  - (vii) **sections 56 and 57:** 20
  - (viii) **sections 57B to 57J:**
  - (ix) **sections 57L to 57O:**
  - (x) **sections 57Q and 57R:**

- (b) the rest of this Act comes into force on the day after the date of Royal assent.

## Part 1

### Amendments to Local Government (Rating) Act 2002

**3 Amendments to Local Government (Rating) Act 2002** 5

This Act amends the Local Government (Rating) Act 2002 (the **principal Act**).

*Amendments to Part 1 (preliminary and key provisions)*

**4 Section 3 replaced (Purpose)**

Replace section 3 with:

**3 Purpose** 10

The purpose of this Act is to—

- (a) promote the purpose of local government set out in the Local Government Act 2002 by—

(i) providing local authorities with flexible powers to set, assess, and collect rates to fund local government activities: 15

(ii) ensuring that rates are set in accordance with decisions that are made in a transparent and consultative manner:

(iii) providing for processes and information to enable ratepayers to identify and understand their liability for rates; and

- (b) facilitate the administration of rates in a manner that supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993. 20

**5 Section 4 amended (Outline)**

In section 4(4)(b), replace “remission of rates and postponement of the requirement to pay rates” with “remission of rates, postponement of the requirement to pay rates, and the write-off of rates”. 25

**6 Section 5 amended (Interpretation)**

- (1) In section 5, insert in their appropriate alphabetical order:

**dwelling** means a building or part of a building occupied as residential accommodation and includes—

- (a) a garage, a shed, and any other building used in connection with the dwelling; and 30

(b) the land attached or appurtenant to the dwelling and commonly used in connection with the dwelling

|     |  |    |
|-----|--|----|
|     | <b>person actually using land</b> or <b>person actually using a rating unit</b> 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:  | 5  |
|     | (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  |    |
|     | <b>residual rating area</b> means the part of a rating unit (if any) that remains after 1 or more separate rating areas are divided from the rating unit         | 10 |
|     | <b>separate rating area</b> means land that has become a separate rating area under <b>section 98A</b>   |    |
|     | <b>underlying rating unit</b> means a rating unit which has been divided into separate rating areas under <b>section 98A</b>                                     | 15 |
| (2) | In section 5, definition of <b>rates assessment</b> , after “rating unit”, insert “or separate rating area”.   |    |
| (3) | In section 5, definition of <b>rates invoice</b> , after “rating unit”, insert “or separate rating area”.  |    |
| 7   | <b>New section 5A inserted (Transitional, savings, and related provisions)</b>   | 20 |
|     | After section 5, insert:   |    |
| 5A  | <b>Transitional, savings, and related provisions</b>   |    |
|     | The transitional, savings, and related provisions set out in <b>Schedule 1AA</b> have effect according to their terms.   |    |
| 8   | <b>Section 10 replaced (Who is ratepayer?)</b>   | 25 |
|     | Replace section 10 with:   |    |
| 10  | <b>Who is ratepayer?</b>   |    |
|     | For the purposes of this Act, a <b>ratepayer</b> is,—  |    |
|     | (a) in relation to a rating unit, the person who is named as a ratepayer in the rating information database and the district valuation roll for the rating unit: | 30 |
|     | (b) in relation to a separate rating area, the person who is named as the ratepayer in the rating information database for the separate rating area.             |    |
| 9   | <b>Section 12 amended (Liability for rates)</b>  |    |
| (1) | After section 12(1), insert:   | 35 |

(1A) The ratepayer for a separate rating area is liable to pay the rates that are due on the separate rating area.

(2) In section 12(2), replace “and 62” with “to **62A**”.

**10 Section 20 amended (Rating units in common ownership)**

In section 20, replace “setting” with “assessing”. 5

**11 New section 20A inserted (Rating units of Māori freehold land used as a single unit)**

After section 20, insert:

**20A Rating units of Māori freehold land used as a single unit**

(1) A person actually using 2 or more rating units of Māori freehold land may apply to the local authority for 2 or more of the rating units to be treated as 1 unit for the purposes of a rates assessment. 10

(2) The local authority must treat the rating units as 1 unit for assessing a rate if—  
(a) the units are used jointly as a single unit by the person; and  
(b) the local authority is satisfied the units are derived from, or are likely to have been derived from, the same original block of Māori freehold land, meaning the first Māori land block that was held in an instrument of title and that included the land that became the rating units. 15

(2A) For the purposes of **subsection (2)(b)**, it is sufficient evidence that 2 or more rating units of Māori freehold land are derived from the same original block of Māori freehold land if the rating units share a name in common according to the permanent record of the Māori Land Court. 20

(3) If a local authority is not satisfied that the units are derived from, or are likely to have been derived from, the same block of Māori freehold land, the local authority— 25  
(a) may apply to the Registrar of the Māori Land Court for a determination as to whether the rating units are derived from the same original block of Māori freehold land; and  
(b) must do so on the request of the person actually using the units.

(4) In this section, **block** has the meaning set out in section 4 of Te Ture Whenua Maori Act 1993. 30

*Amendments to Part 2 (rating information database and rates records)*

**12 Section 27 amended (Rating information database)**

(1) After section 27(5)(c), insert:

(d) 1 or more separate rating areas being divided from a rating unit under **section 98A**. 35

- (2) In section 27(6)(a) and (b), after “unit”, insert “or a separate rating area”.
- 13 Section 28 amended (Inspection of rating information database)**  
In section 28(2), after “unit”, insert “or separate rating area” in each place.
- 14 Section 28A amended (Inspection of complete rating information database)** 5  
(1) In section 28A(2), after “unit”, insert “or separate rating area”.  
(2) In section 28A(3), after “unit”, insert “or separate rating area” in each place.  
(3) In section 28A(6), after “units”, insert “or separate rating areas”.
- 15 Section 28B amended (Local authority must inform owners of right to withhold certain information from database)** 10  
(1) In the heading to section 28B, after “owners”, insert “of rating units and ratepayers for separate rating areas”.  
(2) In section 28B, after “owner”, insert “of a rating unit and ratepayer for a separate rating area”.
- 16 Section 28C amended (Owner entered on database may require local authority to withhold information from database)** 15  
(1) In the heading to section 28C, after “Owner” insert “of rating unit and ratepayer for separate rating area”.  
(2) In section 28C(1), after “owner”, insert “of a rating unit or ratepayer for a separate rating area”. 20  
(3) In section 28C(2), (3)(b), and (4), after “owner”, insert “or ratepayer”.
- 17 Section 28D repealed (Transitional provision for local authority to establish database)**  
Repeal section 28D.
- 18 Section 29 amended (Objections to rating information database)** 25  
After section 29(1), insert:  
(1A) A person who is named in the rating information database as the ratepayer for a separate rating area or its underlying rating unit may also object to the information contained in the database on the ground that the apportionment of rates fails to comply with **section 98B**. 30
- 19 Section 37 amended (Rates records)**  
(1) In section 37(1), after “for each rating unit”, insert “and separate rating area”.  
(2) In section 37(1)(a) and (b), after “unit”, insert “or separate rating area”.  
(3) In section 37(3), after “unit”, insert “or separate rating area”.

- 20 Section 38 amended (Inspection of rates records)**
- (1) In section 38(1), after “rates record for a rating unit”, insert “or separate rating area”.
  - (2) In section 38(1)(d)(i), after “unit”, insert “or separate rating area”.
- 21 Section 39 amended (Objection to rates records)** 5
- In section 39(1)(b), after “unit”, insert “or separate rating area”.
- 22 Section 41 amended (Amended assessment if error in rating information database or rates record is corrected)**
- In section 41(1)(a), after “unit”, insert “or separate rating area”.
- 23 Section 41A amended (Amended assessment to give effect to objection to valuation under Rating Valuations Act 1998)** 10
- (1) In section 41A(1), after “a rating unit”, insert “or separate rating area”.
  - (2) In section 41A(1)(a) and (b)(ii), after “unit”, insert “or separate rating area”.
  - (3) In section 41A(1)(b)(i), replace “the information in relation to the rating unit” with “information”. 15
- Amendments to Part 3 (assessment, payment, and recovery of rates and remission and postponement)*
- 24 Part 3 heading amended (Assessment, payment, and recovery of rates and remission and postponement)**
- In the Part 3 heading, replace “**remission and postponement**” with “**remission, postponement, and write-off of rates**”. 20
- 25 Section 44 amended (Notice of rates assessment)**
- (1) In section 44(1), after “rating unit”, insert “or separate rating area”.
  - (2) In section 44(2), after “unit”, insert “or separate rating area” in each place.
- 26 Section 45 amended (~~Content~~ Contents of rates assessment)** 25
- After section 45(4), insert:
- ~~(5)~~(4A) If subsection (3) applies because 1 or more separate rating areas have been divided from a rating unit,—
- (a) the information required by subsection (1) must be provided for the residual rating area (if any) of the rating unit; and 30
  - (b) a separate rates assessment must be provided for each separate rating area in the rating unit in accordance with **section 98C**.
- 27 Section 46 amended (Rates invoice)**
- In section 46, after “rating unit”, insert “or separate rating area” in each place.

- 28 Section 47 amended (Issue of amended rates invoice)**  
In section 47(1), after “rating unit”, insert “or separate rating area” in each place.
- 29 Section 48 amended (Delivery of rates assessment and rates invoice)**
- (1) In section 48(1), after “unit”, insert “or separate rating area”. 5
- (2) In section 48(3), replace “the rating unit” with “a rating unit or separate rating area”.
- 30 Section 49 amended (Late delivery of rates invoice)**  
In section 49, after “rating unit”, insert “or separate rating area”.
- 31 Section 51 amended (Combined rates assessment and rates invoice)** 10
- (1) In section 51(1), after “units”, insert “or separate rating areas” in each place.
- (2) In section 51(2), after “rating unit”, insert “or separate rating area”.
- (3) In section 51(3), after “unit”, insert “or separate rating area” in each place.
- 32 Section 54 amended (Power not to collect small amounts)**
- (1) In section 54(1) and (2)(a), after “rating unit”, insert “or separate rating area”. 15
- (2) In section 54(3)(b), replace “that rating unit” with “the rating unit or separate rating area”.
- 33 New section 62A inserted (Person actually using certain abandoned general land liable for rates)**
- After section 62, insert: 20
- 62A Person actually using certain abandoned general land liable for rates**
- (1) This section applies to land if—
- (a) the land is general land that ceased to be Māori land under Part 1 of the Maori Affairs Amendment Act 1967; and
- (b) the land is beneficially owned by the persons, or by the descendants of the persons, who beneficially owned the land immediately before the land ceased to be Māori land; and 25
- (c) rates have not been paid to the local authority by the owner of the land for 3 years or more; and
- (d) the owner of the land— 30
- (i) is unknown; or
- (ii) cannot be found after due inquiry and has no known agent in New Zealand; or
- (iii) is deceased and has no personal representative; or



- (iv) has given notice to the local authority that they intend to abandon or have abandoned the land.
- (2) A person actually using land to which this section applies is liable for rates on the land in respect of the period commencing on or after the date they started using the land. 5
- (3) A person actually using only part of a rating unit of land to which this section applies during a financial year must be treated as having used the whole of the rating unit for the whole of the financial year unless the person establishes otherwise.
- (4) The rates assessment and rates invoice must be delivered to the person actually using the land to which this section applies. 10
- (5) This section overrides sections 44 and 46.
- 34 Section 63 amended (Legal proceedings to recover rates)**  
In section 63(2), after “rating unit”, insert “or separate rating area”.
- 35 New section 65A inserted (Recovery of unpaid rates from person actually using certain land)** 15  
After section 65, insert:
- 65A Recovery of unpaid rates from person actually using certain land**  
In proceedings under section 63 for the recovery of unpaid rates against a person actually using land to which **section 62A** or 96 applies (other than rates in respect of a separate rating area), the court may give judgment for a proportion of the unpaid rates if the court— 20
- (a) considers it to be reasonable to do so in the circumstances; and
- (b) is satisfied that— 25
- (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 rates payable is disproportionately large compared to a reasonable rental or payment for the use.
- 36 Section 67 amended (Enforcement of judgment)**
- (1) After section 67(2)(b), insert: 30
- (c) evidence that the land is not land described in **section 62A(1)(a) and (b)**.
- (1) Replace section 67(3) with:
- (3) Subsection (1) does not apply to—
- (a) land that is subject to enactments that prohibit the alienation or transfer of that land; or 35
- (b) land described in **section 62A(1)**.

- (2) In section 67(4), replace “despite those enactments, the local authority may” with “the local authority may, in respect of land described in **subsection (3)(a)**”.

**36AA Section 75A amended (Unpaid levy under Infrastructure Funding and Financing Act 2020)**

5

In section 75A(2), replace “Sections 63” with “**Sections 62A**”.

**36A Section 77 amended (Sale or lease of abandoned land)**

After section 77(3), insert:

- (3A) The application must include evidence that the land is not land described in **section 62A(1)(a) and (b)**.

10

**37 Section 78 amended (Court may order sale or lease of abandoned land)**

In section 78, after “complied with”, insert “and the land is not land described in **section 62A(1)**”.

**38 Heading to subpart 2 of Part 3 amended (Remission and postponement)**

In the heading to subpart 2 of Part 3, replace “**and postponement**” with “, **postponement, and write-off**”.

15

**39 New sections 90A to 90D and cross-heading inserted**

After section 90, insert:

*Power of chief executive to write off rates*

**90A Chief executive may write off rates that cannot be recovered**

20

- (1) The chief executive of a local authority must write off any outstanding rates that, in the chief executive’s opinion, cannot reasonably be recovered.

- (2) The chief executive may write off rates under **subsection (1)** on—

(a) the chief executive’s own initiative; or

(b) the application of a ratepayer (who may make an application at any time).

25

- (3) The chief executive must—

(a) notify a ratepayer of any write-off of the ratepayer’s rates under this section; and

(b) within 30 days of receiving an application under **subsection (2)(b)**, provide written reasons to the applicant of the reasons for the decision to write off, or not to write off, the rates specified in the application.

30

|  |    |
|--|----|
| <b>90B Chief executive may write off rates of deceased owners of Māori freehold land</b>   |    |
| (1) The chief executive of a local authority may, in respect of a rating unit of Māori freehold land, write off all or part of the outstanding rates that—   |    |
| (a) are payable by a person beneficially entitled to a deceased owner’s beneficial interest in the land; and   | 5  |
| (b) were payable by the deceased owner at the death of the owner.  |    |
| (2) The local authority must give notice to the ratepayer of any write-off.  |    |
| <b>90C Chief executive may delegate power to write off rates</b>   |    |
| (1) The chief executive of a local authority may delegate the exercise of the powers under <b>sections 90A and 90B</b> to any specified officer of the local authority.  | 10 |
| (2) The chief executive must not delegate the power to delegate under this section.  |    |
| <b>90D Amount of rates written off to be included in notes to financial statements</b>   |    |
| A local authority must ensure that the notes to the financial statements described in clause 29(1)(a) of Schedule 10 of the Local Government Act 2002 disclose the amount of rates written off each financial year under <b>sections 90A and 90B</b> . | 15 |

*Amendments to Part 4 (rating of Māori freehold land)*

|  |    |
|--|----|
| <b>40 Section 92 amended (Recording name of ratepayer)</b>   | 20 |
| (1) After section 92(4), insert:   |    |
| (4A) If a separate rating area is divided from a rating unit under <b>section 98A</b> , the person actually using the separate rating area must be entered as the ratepayer in the rating information database for the separate rating area. |    |
| (2) In section 92(7), replace “and (4)” with “(4), and <b>(4A)</b> ”.  | 25 |
| <b>41 Section 93 amended (Limitation of trustee liability)</b>   |    |
| In section 93, insert as <b>subsection (2)</b> :   |    |
| (2) Trustees seeking to rely on <b>section 93(1)(b)</b> must, on request by a local authority, provide copies of any annual financial statements provided to the beneficial owners by the trustees.  | 30 |
| <b>42 Cross-heading above section 96 replaced</b>  |    |
| Replace the cross-heading above section 96 with:   |    |
| <i>Person actually using Māori freehold land in multiple ownership or separate rating areas</i>  |    |

- 43 Section 96 amended (Person actually using land liable for rates)**
- (1) Replace section 96(1) with:
- (1) A person actually using land is liable for the rates on that land if the land is Māori freehold land—
- (a) in a rating unit in multiple ownership that is not vested in a trustee; or
  - (b) in a separate rating area.
- (2) Repeal section 96(2). 5
- 44 Section 97 amended (Rates assessment delivered to person actually using land)**
- In section 97(2), replace “A person to whom section 96 applies and who is actually using” with “A person who is actually using land described in **section 96(1)(a)** (other than land in a separate rating area) and who is using only”. 10
- 45 Section 98 replaced (Recovery of unpaid rates from person actually using land)**
- Replace section 98 with: 15
- 98 Ratepayer of underlying rating unit not liable for rates on separate rating area**
- (1) The ratepayer for a rating unit is not liable for any rates due on any separate rating area in the rating unit.
- (2) Sections 99 to 113 (which relate to charging orders on Māori freehold land) do not apply in respect of any rates due on the separate rating area. 20
- 46 New sections 98A to 98F and cross-heading inserted**
- After section 98, insert:
- Separate rating areas on Māori freehold land*
- 98A How rating unit on Māori freehold land divided into separate rating areas** 25
- (1) A local authority may divide a separate rating area from a rating unit on Māori freehold land on the request of a person in accordance with this section.
- (2) A local authority must determine a part of a rating unit to be a separate rating area if the identified part of the rating unit—
- (a) comprises a dwelling; and
  - (b) is used separately from the other land in the rating unit.
- (3) If the rating unit is managed by a trustee, the request for a separate rating area—
- (a) must be made by the trustee with the consent of the person actually using the identified part of the rating unit; and
- 35

- (b) must include the full name and postal address of the person actually using the identified part of the rating unit and evidence that they consent to the request.
- (4) If the rating unit is not managed by a trustee, the request for a separate rating area may be made by the person actually using the identified part of the rating unit. 5
- (4A) On receiving a request under **subsection (4)**, a local authority must notify the ratepayer or ratepayers for the rating unit of the request.
- (5) Requests for separate rating areas may be made at any time during the financial year. 10
- (6) The division of a separate rating area from a rating unit under this section does not create any right of occupancy or interest in the land.
- 98B Apportionment of rates for separate rating areas**
- The local authority must apportion the rates assessed for the underlying rating unit between each separate rating area and any residual rating area in the unit as follows: 15
- (a) the apportionment of any rate must be assessed in accordance with the same values and factors that were used to assess the total rates for the underlying rating unit under section 43; and
- (b) any general rate must be apportioned between separate rating areas and any residual rating area by apportioning the rateable valuation of the underlying rating unit between each separate rating area and any residual rating area, but always using the same category of rateable land under section 14 that applies to the underlying rating unit; and 20
- (c) any uniform annual general charge set under section 15(1)(a) for the underlying rating unit must be apportioned equally between each separate rating area and any residual rating area in the underlying rating unit; and 25
- (d) any uniform annual general charge set under section 15(1)(b) for the underlying rating unit must be apportioned equally between each separate rating area, ~~and any residual rating area, and any residual rating area~~ in the underlying rating unit that is a separately used or inhabited part of the rating unit according to the local authority's definition (*see* clauses 15 and 20 of Schedule 10 of the Local Government Act 2002); and 30
- (e) any targeted rate must be apportioned between each separate rating area and any residual rating area in the underlying rating unit by apportioning the factors under section 18 that apply to the underlying rating unit between each separate rating area and any residual rating area, but always using the same category of rateable land under section 17 that applies to the underlying rating unit; and 35 40

|            |   |          |
|------------|---|----------|
| (f)        | to avoid doubt, the sum of the apportionments of all rates for the separate rating areas and any residual rating area must equal the sum of all rates that would apply to the underlying rating unit without apportionment.   |          |
| <b>98C</b> | <b>Contents of rates assessment for separate rating area</b>  | <b>5</b> |
| (1)        | A rates assessment for a separate rating area 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 underlying rating unit:  | 10       |
| (d)        | the legal description of the underlying rating unit:  |          |
| (e)        | the location of the separate rating area:   |          |
| (f)        | the rateable value of the separate rating area:   |          |
| (g)        | the amount and description of each rate:  |          |
| (h)        | the activities or groups of activities of the local authority that will be funded from each rate:   | 15       |
| (i)        | the relevant matters in Schedule 2 that are required to determine—  |          |
| (i)        | the category (if any) to which the separate rating area belongs for the purposes of setting general rates differentially under section 13(2)(b):  | 20       |
| (ii)       | the category (if any) to which the separate rating area belongs for the purposes of setting a targeted rate under section 16(3)(b) or (4)(b):   |          |
| (j)        | the information on the factors used to calculate the amount of the liability of the separate rating area in respect of each targeted rate:  | 25       |
| (k)        | the total amount of rates payable on the separate rating area for the financial year:   |          |
| (l)        | the information set out in section 45(1)(l) to (p).   |          |
| (2)        | 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 target rates for the financial year for which, as a result of the election, no liability attaches to the separate rating area. | 30       |
| <b>98D</b> | <b>When separate rating area divided from rating area</b>   |          |
| (1)        | A determination by a local authority that a part of a rating unit is a separate rating area applies on and from the commencement of—  | 35       |
| (a)        | the financial year following the financial year in which the request for the determination is made; or  |          |

- (b) if the requestor and the local authority agree, the financial year in which the request is made.
- (2) **Subsection (3)** applies if, before a rating unit is divided or ceases to be divided into separate rating areas for a financial year, a local authority has sent a notice, a ratepayer has made a payment, or either has done anything else that affects who is liable for rates (or apportionments of rates) under this Act for that financial year. 5
- (3) The local authority may do anything required to adjust who is liable for rates (or apportionments of rates), and anything required to adjust any related matters, under this Act for that financial year to reflect the division or removal of the division. 10
- 98E How separate rating area ceases to be a separate rating area**
- (1) A local authority may determine that a separate rating area divided from a rating unit is no longer a separate rating area— 15
- (a) on the request of the trustee of the rating unit; or
- (b) if the rating unit is not managed by a trustee, on the request of the person actually using the separate rating area; or
- (c) on its own initiative if— 20
- (i) the dwelling on the separate rating area has been removed or demolished, or is no longer habitable; or
- (ii) there is no person actually using the separate rating area.
- (2) A determination by a local authority that a separate rating area is no longer a separate rating area applies on and from the commencement of— 25
- (a) the financial year following the financial year in which an application is made by the trustee of the underlying rating unit:
- (b) if the trustee and the local authority agree, the financial year in which the request is made:
- (c) if the local authority makes the determination on its own initiative, the financial year following the financial year in which the determination is made. 30
- (3) The local authority must write off any rates outstanding in respect of a separate rating area when the local authority ceases to apportion the rates between separate rating areas under **subsection (2)**.
- 98F Election to make lump sum contributions must be made on behalf of underlying rating unit** 35
- If Part 4A applies to a rating unit that has been divided into separate rating areas, the eligible ratepayer is the ratepayer for the underlying rating unit.

**47 Section 114 amended (Remission of rates)**

In the heading to section 114, after “rates”, insert “on Māori freehold land generally”.

**48 New section 114A inserted (Remission of rates on Māori freehold land under development)**

5

After section 114, insert:

**114A Remission of rates for Māori freehold land under development**

- (1) The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.
- (2) A local authority must consider an application by a ratepayer for a remission of rates on Māori freehold land if— 10
- (a) the ratepayer has applied in writing for a remission on the land; and
  - (b) the ratepayer or another person is developing, or intends to develop, the land.
- (3) The local authority may, for the purpose of this section, remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the local authority is satisfied that the development is likely to have any or all of the following benefits: 15
- (a) benefits to the district by creating new employment opportunities;
  - (b) benefits to the district by creating new homes: 20
  - (c) benefits to the council by increasing the council’s rating base in the long term;
  - (d) benefits to Māori in the district by providing support for marae in the district;
  - (e) benefits to the owners by facilitating the occupation, development, and utilisation of the land. 25
- (4) The local authority may remit all or part of the rates—
- (a) for the duration of a development; and
  - (b) differently during different stages of a development; and
  - (c) subject to any conditions specified by the local authority, including conditions relating to— 30
    - (i) the commencement of the development; or
    - (ii) the completion of the development or any stage of the development.
- (5) In determining what proportion of the rates to remit during the development or any stage of the development, the local authority must take into account— 35



- (a) the expected duration of the development or any stage of the development; and
  - (b) if the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
  - (c) if the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.
- (6) Sections 85(2) and 86 apply to a remission made under **subsection (3)**.
- (7) This section does not limit the application of section 85 or 114 to Māori freehold land.

**49 New Schedule 1AA inserted**

Insert the **Schedule 1AA** set out in the **Schedule** of this Act as the first schedule to appear after the last section of the principal Act.

**50 Schedule 1 amended**

- (1) In Schedule 1, after clause 1, insert:
- 1A Land that is subject to a Ngā Whenua Rāhui kawenata under section 77A of the Reserves Act 1977 or section 27A of the Conservation Act 1987.
- (2) In Schedule 1, clause 10, delete “that does not exceed 2 hectares and”.
- (3) In Schedule 1, replace clauses 12 and 13 with:
- 12 Land that is used for the purposes of a marae, excluding any land used—
- (a) primarily for commercial or agricultural activity; or
  - (b) as residential accommodation.
- 13 Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or any corresponding former provision of that Act and used for the purposes of a meeting place, excluding any land used—
- (a) primarily for commercial or agricultural activity; or
  - (b) as residential accommodation.
- 13A Māori freehold land on which a meeting house is erected, excluding any land used—
- (a) primarily for commercial or agricultural activity; or
  - (b) as residential accommodation.
- 13B Land that is a Māori reservation held for the common use and benefit of the people of New Zealand under section 340 of Te Ture Whenua Maori Act 1993.
- (4) In Schedule 1, after clause 14, insert:
- 14A An unused rating unit of Māori freehold land.
- (5) In Schedule 1, note 1, insert in its appropriate alphabetical order:

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**meeting place** means any church, meeting house, hall, dining hall, kitchen, or other building (other than a dwelling) used as a meeting place and includes any land attached or appurtenant to and commonly used in connection with any such building

- (6) In Schedule 1, after note 4, insert: 5
- 4A For the purposes of **clause 14A**,—
- (a) a rating unit is **unused** if—
- (i) there is no person actually using any part of the rating unit; or
- (ii) the entire rating unit is used in a similar manner to a reserve or conservation area and no part of the rating unit is— 10
- (A) leased by any person; or
- (B) used as residential accommodation; or
- (C) used for any activity (whether commercial or agricultural) other than for personal visits to the land or personal collections of kai or cultural or medicinal material from the land; and 15
- (b) a rating unit must not be treated as being used solely because a person is a participant under the Climate Change Response Act 2002 in respect of an activity relating to the rating unit.

**Part 2** 20

**Amendments to other legislation**

*Amendments to Infrastructure Funding and Financing Act 2020*

**50A Amendments to Infrastructure Funding and Financing Act 2020**

**Sections 50B to 50W** amend the Infrastructure Funding and Financing Act 2020. 25

**50B Section 7 amended (Interpretation)**

(1) In section 7(1), definition of **levypayer**, after “rating unit”, insert “or separate rating area”.

(2) In section 7(1), insert in its appropriate alphabetical order:

**separate rating area** means land that has become a separate rating area under **section 98A** of the Local Government (Rating) Act 2002 30

**50C Section 37 amended (Who must pay levy)**

(1) After section 37(1), insert:

(1A) The ratepayer for a separate rating area is liable to pay all levy that is due on the separate rating area. 35

- (2) In section 37(2)(a), after “62,”, insert “62A.”.
- (3) After section 37(2)(b), insert:
- (c) the ratepayer for a rating unit is not liable for any levy due on any separate rating area in the rating unit.
- 50D Section 51 amended (Responsible SPV may correct annual levy resolution)** 5
- (1) In section 51(1)(b), after “rating unit”, insert “or separate rating area”.
- (2) In section 51(4), after “rating unit”, insert “or separate rating area” in each place.
- 50E Section 57 amended (When SPV recovers unpaid levy)**
- In section 57(1)(a) and (b), after “rating unit”, insert “or separate rating area”. 10
- 50F Section 58 amended (Levy is charge against rating unit)**
- In section 58, insert as subsection (2):
- (2) **Subsection (1)** does not apply in respect of a levy due on a separate rating area.
- 50G Section 59 amended (Invalidity of levy not ground for refusal to pay levy)** 15
- In section 59, after “rating unit”, insert “or separate rating area”.
- 50H Section 61 amended (Rating information database)**
- In section 61(1),—
- (a) after “rating units”, insert “and separate rating areas”; and
- (b) replace “the unit” with “any rating unit or separate rating area” in each place. 20
- 50I Section 65 amended (Rates records and objections, etc, to rates records)**
- In section 65(1), after “rating unit”, insert “and separate rating area”.
- 50J Section 68 amended (Assessment of levy liability)**
- In section 68(2),— 25
- (a) after “rating unit”, insert “or separate rating area”; and
- (b) replace “that unit” with “the rating unit or separate rating area”.
- 50K Section 69 replaced (Rating units in common ownership)**
- Replace section 69 with:

- 69** **When responsible levy authority must treat 2 or more rating units as 1 unit for assessing levy**  
The responsible levy authority must treat 2 or more rating units as 1 unit for assessing levy if the rating units are treated as 1 unit under section 20 or **20A** of the Local Government (Rating) Act 2002. 5
- 50L** **Section 70 amended (Levy assessment notified to levypayer)**  
In section 70(1) and (2), after “rating unit”, insert “or separate rating area”.
- 50M** **Section 71 amended (Information in levy assessment)**  
Replace section 71(2) with:  
(2) The following sections of the Local Government (Rating) Act 2002 apply to a rates assessment that includes levy liability: 10  
(a) section 45 (contents of rates assessment): and  
(b) **section 98C** (contents of rates assessment for separate rating area).
- 50N** **Section 73 amended (Further processes for levy assessment and levy invoice)** 15  
After section 73(d), insert:  
(e) **section 98B** (apportionment of rates for separate rating areas):  
(f) **section 98D** (when separate rating area divided from rating area):  
(g) **section 98E** (how separate rating area ceases to be a separate rating area).
- 50O** **Section 77 amended (Levy remission and levy postponement policies relating to Maori freehold land)** 20  
(1) In section 77(1), after “rating units”, insert “or separate rating areas”.  
(2) After section 77(1), insert:  
(1A) **Section 114A** of the Local Government (Rating) Act 2002 (remission of rates for Māori freehold land under development) applies to a levy under this Act. 25  
(1B) However, the responsible levy authority may remit a levy under **section 114A** of the Local Government (Rating) Act 2002 only with the consent of the responsible SPV.
- 50P** **Section 78 amended (Remission of levy)**  
In section 78(1) and (3)(a), after “rating unit”, insert “or separate rating area”. 30
- 50Q** **New section 79A and cross-heading inserted**  
After section 79, insert:

*Write-off of levy*

**79A Write-off of levy**

- (1) This section applies if—
- (a) there is an unpaid levy under this Act in respect of a rating unit or separate rating area; and 5
  - (b) the chief executive of the responsible levy authority intends to write off rates in respect of that unit or separate rating area under **section 90A or 90B** of the Local Government (Rating) Act 2002.
- (2) The responsible levy authority must notify the responsible SPV—
- (a) that the chief executive will write off the rates; and 10
  - (b) whether the chief executive is doing so on an application under **section 90A(2)(b)** of the Local Government (Rating) Act 2002.
- (3) On receiving the notice, the responsible SPV may write off any unpaid levy—
- (a) that the responsible SPV considers cannot reasonably be recovered; or
  - (b) to which **section 90B(1)(a) and (b)** of the Local Government (Rating) Act 2002 applies. 15
- (4) The responsible SPV must—
- (a) notify a levypayer of any write-off of the levypayer's levy under this section; and
  - (b) within 30 days of receiving a notice under **subsection (2)(b)** that the chief executive will write off rates on the application of a ratepayer under **section 90A(2)(b)**, provide written reasons to the levypayer for the decision to write off, or not to write off, the levypayer's levy. 20

**50R Section 82 amended (Recovery action generally)**

After section 82(2)(b), insert: 25

- (ba) **section 62A** (person actually using certain abandoned general land liable for rates):

**50S Section 83 amended (Legal proceedings to recover levy)**

In section 83(2), replace “Sections 63” with “**Sections 62A**”.

**50T Section 91 amended (Excess levy at end of levy period)**

30

In section 91(2)(a), after “rating unit”, insert “or separate rating area”.

**50U Section 95 amended (Responsible levy authority to inform responsible SPV about previous contributions)**

In section 95(2)(c), after “rating units”, insert “or separate rating areas”.

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**50V Section 96 amended (Responsible SPV may direct responsible levy authority to transfer previous contributions and remit levies)**

In section 96(1)(b), after “rating unit”, insert “or separate rating area”.

**50W Section 97 amended (Responsible levy authority must refund or return previous contributions if no direction)**

In section 97, after “rating unit”, insert “or separate rating area” in each place.

*Amendment to Local Government Act 2002*

**51 Amendment to Local Government Act 2002**

~~Section 52~~ amends ~~Sections 52 and 52A~~ amend the Local Government Act 2002.

**52 Section 102 amended (Funding and financial policies)**

After section 102(3), insert:

(3A) The following policies must also support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993:

- (a) the revenue and financing policy, the policy on development contributions or financial contributions, and the policy on the remission and postponement of rates on Māori freehold land adopted under **subsection (1)**;
- (b) any rates remission policy or rates postponement policy adopted under **subsection (3)**.

**52A Schedule 1AA amended**

In Schedule 1AA, after clause 21, insert the **Part 4** set out in **Schedule 2** of this Act.

*Amendments to Te Ture Whenua Maori Act 1993*

**53 Amendments to Te Ture Whenua Maori Act 1993**

**Sections 54 and 55** amend Te Ture Whenua Maori Act 1993.

**54 New section 128A inserted (Registrar may advise local authority whether rating units were previously part of same block of Maori freehold land)**

After section 128, insert:

**128A Registrar may advise local authority whether rating units were previously part of same block of Maori freehold land**

- (1) This section applies if a local authority makes an application under **section 20A(3) of the Local Government (Rating) Act 2002** for a determination as to whether 2 or more rating units were previously part of the same block of Maori freehold land.

- (2) The Registrar may make a determination as to whether the rating units were previously part of the same block of Maori freehold land.
- (3) The Registrar may decline to make a determination if satisfactory evidence is unavailable.

**55 New section 330B inserted (Obligation to notify territorial authority of occupation order) 5**

After section 330A, insert:

**330B Obligation to notify territorial authority of occupation order**

The Registrar of the Maori Land Court must notify the relevant local authority of—

- (a) any occupation order made under section 328; and
- (b) any amendment or cancellation of an occupation order made under section 330.

*Amendments to Rates Rebate Act 1973*

**56 Amendments to Rates Rebate Act 1973 15**

**Section 57** amends the Rates Rebate Act 1973.

**57 Section 2 amended (Interpretation)**

- (1) In section 2(1), replace the definition of **property** with—

**property** means—

- (a) a rating unit within the meaning of sections 5B and 5C of the Rating Valuations Act 1998; or
- (b) a separate rating area within the meaning of section 5 of the Local Government (Rating) Act 2002

- (2) In section 2(1), definition of **residential property**, paragraph (a), after “unit”, insert “or separate rating area” in each place. 25

*Amendments to Urban Development Act 2020*

**57A Amendments to Urban Development Act 2020**

**Sections 57B to 57Q** amend the Urban Development Act 2020.

**57B Section 185 amended (Who must pay rates?)**

- (1) In section 185(1), after “rating unit”, insert “or separate rating area” in each place. 30
- (2) In section 185(2), after “62.”, insert “62A.”.

**57C Section 189 amended (Procedure for setting rates)**

Replace section 189(5)(a) with:

- (a) sections 20 (rating units in common ownership), 20A (rating units of Māori freehold land used as a single unit), and 22 (defence land) of the Local Government (Rating) Act 2002:

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**57D Section 190 amended (Kāinga Ora may set rates again within same financial year)**

- (1) In section 190(1)(b), after “rating unit”, insert “or separate rating area”.  
(2) In section 190(4), after “rating unit”, insert “or separate rating area” in each place.

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**57E Section 192 amended (Due date or dates for payment)**

In section 192,—

- (a) after “rating unit”, insert “or separate rating area”; and  
(b) after “that unit”, insert “or area”.

**57F Section 194 amended (When excess rates are refunded to ratepayers)**

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- (1) In section 194(3)(a), after “rating units”, insert “or separate rating areas”.  
(2) In section 194(3)(b), after “rating unit”, insert “or separate rating area”.

**57G Section 201 amended (Notice of rates assessment)**

In section 201(1) and (3), after “rating unit”, insert “or separate rating area” in each place.

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**57H Section 202 amended (Contents of rates assessment)**

In section 202(1)(c) and (d), after “rating unit”, insert “or separate rating area”.

**57I Section 203 amended (Rates invoice)**

- (1) In section 203(1), after “rating unit”, insert “or separate rating area” in each place.  
(2) In section 203(3)(a) and (d), after “rating unit”, insert “or separate rating area”.

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**57J Section 205 amended (When Kāinga Ora may recover unpaid rates)**

- (1) In section 205(1)(a) and (3)(b), after “rating unit”, insert “or separate rating area”.  
(2) In section 205(1)(b), replace “the unit” with “the rating unit or separate rating area”.

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**57K Section 206 amended (Application of Local Government (Rating) Act 2002: calculation, payment, and recovery)**

In section 206(1)(j), replace “and 62” with “to **section 62A**”.



**57L Section 207 amended (Remission of rates)**

In section 207(1), after “rating unit”, insert “or separate rating area”.

**57M Section 208 amended (Recording remitted rates)**

In section 208(a), after “rating unit”, insert “or separate rating area”.

**57N Section 209 amended (Postponement of requirement to pay rates)**

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In section 209(1), after “rating unit”, insert “or separate rating area”.

**57O New section 210A and cross-heading inserted**

After section 210, insert:

*Write-off of rates*

**210A When Kāinga Ora may write off targeted rates**

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(1) This section applies if—

(a) there is an amount of targeted rates under this Act that is unpaid for a rating unit or separate rating area; and

(b) the chief executive of the relevant territorial authority intends to write off rates in respect of that unit under **section 90A or 90B** of the Local Government (Rating) Act 2002.

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(2) The relevant territorial authority must notify Kāinga Ora—

(a) that the chief executive will write off the rates; and

(b) whether the chief executive is doing so on an application under **section 90A(2)(b)** of the Local Government (Rating) Act 2002.

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(3) On receiving the notice, Kāinga Ora may write off any unpaid targeted rates—

(a) that Kāinga Ora considers cannot reasonably be recovered; or

(b) to which **section 90B(1)(a) and (b)** of the Local Government (Rating) Act 2002 applies.

(4) Kāinga Ora must—

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(a) notify a ratepayer of any write-off of the ratepayer’s targeted rates under this section; and

(b) within 30 days of receiving a notice under **subsection (2)(b)** that the chief executive will write off rates on the application of a ratepayer under **section 90A(2)(b)**, provide written reasons to the ratepayer for the decision to write off, or not to write off, the ratepayer’s targeted rates.

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**57P Section 211 amended (Application of Local Government (Rating) Act 2002: rating of Māori freehold land)**

After section 211(2), insert:

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**Local Government (Rating of Whenua Māori)  
Amendment Bill**

Part 2 cl 57Q

(2A) A relevant territorial authority may remit targeted rates under **section 114A** of the Local Government (Rating) Act 2002 only with the consent of Kāinga Ora.

**57Q Section 212 amended (Rating information database to include information on targeted rates)**

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In section 212,—

- (a) after “rating unit”, insert “or separate rating area”; and
- (b) replace “the unit” with “the rating unit or separate rating area” in each place.

**57R Section 213 amended (Rates records to include information on targeted rates)**

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In section 213,—

- (a) after “rating unit”, insert “or separate rating area”; and
- (b) replace “that unit” with “the rating unit or separate rating area”.

*Amendment to Māori Land Court Fees Regulations 2013*

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**58 Amendment to Māori Land Court Fees Regulations 2013**

**Section 59** amends the Māori Land Court Fees Regulations 2013.

**59 Schedule amended**

In the Schedule, after item 25(o), insert:

- (p) determination whether rating units were previously part of the same block of Māori freehold land **128A** 60

**Schedule**  
**New Schedule 1AA inserted**

**s 49**

**Schedule 1AA**  
**Transitional, savings, and related provisions**

5

**s 5A**

**Part 1**  
**Provisions relating to Local Government (Rating of Whenua Māori)**  
**Amendment Act 2020**

- 1 Definition of amendment Act** 10
- In this Part, **amendment Act** means the Local Government (Rating of Whenua Māori) Amendment Act **2020**.
- 2 Local authority must write off rates arrears for Māori freehold land that is non-rateable on commencement of section 50 of amendment Act** 15
- On the commencement of **section 50** of the amendment Act, a local authority must write off rates arrears in respect of—
- (a) land that is subject to a Ngā Whenua Rāhui kawenata; and
  - (b) Māori freehold land that is unused (within the meaning of Schedule 1 of this Act).
- 3 Recognition of pre-commencement actions and processes in relation to separate rating areas** 20
- Any action or process undertaken before the commencement of **section 46** of the amendment Act by a local authority or any other person may be taken into account by the local authority in determining a part of a rating unit to be a separate rating area on or after the commencement date if the local authority is satisfied that the action or process is consistent with the provisions of this Act as amended by the amendment Act. 25

**Schedule 2****New Part 4 inserted in Schedule 1AA of Local Government Act 2002****s 52A****Part 4****Provisions relating to Local Government (Rating of Whenua Māori)  
Amendment Act 2020** 5**22 Delayed effective date of requirement for certain funding and financial  
policies to support principles in Preamble to Te Ture Whenua Maori Act  
1993**

(1) **Section 102(3A)** (as inserted by **section 52** of the Local Government (Rating of Whenua Māori) Amendment Act **2020**) does not apply to any policy adopted before the effective date for the relevant policy. 10

(2) The policies referred to in **section 102(3A)** must—

(a) be reviewed for compliance with that section by the effective date for the relevant policy; and 15

(b) be amended or replaced as required in order to achieve compliance with that section on or before the effective date.

(3) If a local authority amends its revenue and financing policy under section 93(4) before 1 July 2024 solely for the purpose of complying with **section 102(3A)**, the amendment is not required to be audited in accordance with sections 93D(4) and 94. 20

(4) In this clause,—

**commencement date** means the commencement of **section 52** of the Local Government (Rating of Whenua Māori) Amendment Act **2020**

**effective date** means,— 25

(a) for a revenue and financing policy adopted under section 102(1), 1 July 2024;

(b) for a policy on development contributions or financial contributions adopted under section 102(1), the date of the completion of the first review of the policy in accordance with section 106(6) that commenced after the commencement date; 30

(c) for a policy on the remission and postponement of rates on Māori freehold land adopted under section 102(1), 1 July 2022;

(d) for any rates remission policy or rates postponement policy adopted under section 102(3), the earlier of— 35

(i) 1 July 2024; and

- (ii) the date of the completion of the first review of the policy under section 109(2A) or 110(2A) that commenced after the commencement date.

### Legislative history

27 February 2020  
12 March 2020  
3 August 2020  
16 March 2021  
17 March 2021

Introduction (Bill 226–1)  
First reading and referral to Māori Affairs Committee  
Reported from Māori Affairs Committee (Bill 226–2)  
Second reading  
Committee of the whole House