

HOUSE OF REPRESENTATIVES

# Supplementary Order Paper

Tuesday, 20 March 1990

LOCAL GOVERNMENT REFORM (TRANSITIONAL PROVISIONS) BILL  
*Proposed Amendments*

Hon. PHILIP WOOLLASTON, in Committee, to move the following amendments:

*Clause 7:* To omit paragraph (c) of subclause (1) (all the words in lines 31 to 37 on page 10), and substitute the following paragraph:

- (c) The territorial authority shall determine in respect of each separately rateable property in the district the amount that represents, in relation to the total amount of rates made in respect of that separately rateable property by former authorities in the previous financial year, the same proportion as that calculated in accordance with paragraph (b) of this subsection:

*Clause 8:* To omit paragraph (b) of subclause (2) (all the words in lines 11 to 14 on page 13), and substitute the following paragraph:

- (b) Determine the total of the rates and levies that were levied by or on behalf of former authorities in the previous financial year:

To omit paragraph (d) of subclause (2) (all the words in lines 20 to 28 on page 13), and substitute the following paragraph:

- (d) Allocate the estimated net revenue requirement (calculated under paragraph (a) of this subsection) among the territorial authorities wholly or partly in the region, so that the amount assessed in respect of each territorial authority stands in relation to the amount determined under paragraph (c) of this subsection in the same proportion as the estimated net revenue requirement stands in relation to the amount calculated in accordance with paragraph (b) of this subsection:

*New clauses 19A to 19C:* To insert in Part II, after line 23 on page 23, the following clauses:

**19A. Sections to be read with Local Government Act 1974**—This section and sections 19B to 23 of this Act shall be read together with and deemed part of the Local Government Act

1974\* (hereinafter in those sections referred to as the principal Act).

**19b. Interpretation**—Section 181 of the principal Act (as enacted by section 2 of the Local Government Amendment Act (No. 3) 1977) is hereby amended by repealing the proviso to the definition of the term “component authority”.

**19c. Distribution of proceeds**—(1) The principal Act is hereby amended by repealing section 198 (as enacted by section 2 of the Local Government Amendment Act (No. 3) 1977), and substituting the following section:

“198. (1) Subject to this Part of this Act, the proceeds of the tax in a tax area in any year shall be distributed by the distribution authority among the component authorities of the tax area (including the distribution authority) according to the proportion which the total rate revenue of each such component authority for the immediately preceding financial year bears to the total rate revenue of all the component authorities for that preceding financial year.

“(2) For the purposes of this section, the expression ‘rate revenue’—

“(a) In relation to any component authority, other than a united council or the Auckland Regional Authority, means—

“(i) All rates, and all charges and fees deemed under any enactment to be rates, made and levied by it on its own behalf, or levied on its behalf under sections 127 and 128 of the Rating Powers Act 1988 within the tax area, less the amount of any assessments made on such a component authority by a united council or by the Auckland Regional Authority; and

“(ii) All rates and levies made and levied by it, or authorised to be collected subject to an agreement with a special purpose authority under sections 127 and 128 of the Rating Powers Act 1988, over the whole or so much of the district of the special purpose authority as is included in the district of the component authority within the tax area;—  
but does not include any separate rate for any work or service made and levied or authorised to be collected subject to an agreement under sections 127 and 128 of the Rating Powers Act 1988 on behalf of a special purpose authority over a defined portion of the district of the special purpose authority:

“(b) In relation to any component authority which is a united council and to the Auckland Regional Authority, means all levies by that council or Authority on other component authorities within the tax area:

“(c) In relation to any component authority that is a regional council, includes all assessments made and levied under section 35 of the Rating Powers Act 1988 by that council within the tax area.

\*R.S. Vol. 20, p. 1

Amendments: 1988, No. 71; 1988, No. 104; 1988, No. 109; 1989, No. 1; 1989, No. 29; 1989, No. 72; 1989, No. 76

“(3) Nothing in this section shall be deemed to prevent a region or district forming part of 2 or more tax areas.

“(4) Any money paid to any component authority under this section shall form part of the general revenues of that component authority.”

(2) For the purposes of the distribution of the proceeds of the local authorities petroleum tax in the year commencing on the 1st day of July 1990, section 198 (1) of the principal Act shall be read as if, for the words “immediately preceding financial year” bears to the total rate revenue of all the component authorities for that preceding financial year”, there were substituted the words “financial year commencing on the 1st day of April 1989 and ending on the 31st day of March 1990 bears to the total rate revenue of all the component authorities for that financial year”.

(3) The following enactments are hereby consequentially repealed:

(a) Section 26 of the Local Government Amendment Act 1980:

(b) So much of the Fifth Schedule to the Rating Powers Act 1988 as relates to section 198 of the principal Act.

*Clause 21A:* To insert, after line 38 on page 23, the following clause:

**21A. Power of Commission to amend schemes**—Section 63 of the Local Government Amendment Act (No. 2) 1989 is hereby amended by omitting the words “31st day of March 1990”, and substituting the words “30th day of September 1990”.

*Clause 22A:* To insert, after line 10 on page 24, the following clause:

**22A. Election of Chairperson and Deputy Chairperson of Chatham Islands County Council**—(1) Notwithstanding sections 101N (a) and 101U (1) of the principal Act (as enacted by section 13 of the Local Government Amendment Act (No. 2) 1989),—

(a) The Chatham Islands County Council shall, until the Mayor and Deputy Mayor elected in 1992 at the general election of members of the Council take office, have a Chairperson and a Deputy Chairperson; and

(b) The provisions of Part IVA of the principal Act (as enacted by section 13 of the Local Government Amendment Act (No. 2) 1989) relating to Chairpersons and Deputy Chairpersons of regional councils shall, with all necessary modifications, apply in respect of the Chairperson and Deputy Chairperson of the Chatham Islands County Council as if that county council were a regional council.

(2) The election of the Chairperson and Deputy Chairperson of the Chatham Islands County Council conducted on the 10th day of November 1989 is hereby declared to be and always to have been valid.

*New clauses 23A to 23I:* To insert, after line 26 on page 24, the following heading and clauses:

*Amendments to Rating Powers Act 1988*

**23A. Sections to be read with Rating Powers Act 1988**—This section and sections 23B to 23I of this Act shall be read

together with and deemed part of the Rating Powers Act 1988\* (hereinafter in those sections referred to as the principal Act).

**23b. Additional charge on unpaid rates**—(1) Section 132 (4) of the principal Act is hereby amended by repealing paragraph (b), and substituting the following paragraph:

“(b) A second additional charge to be added to the amount of rates remaining unpaid on a date which shall—

“(i) In the case of any rates made and levied in any financial year commencing before the 1st day of July 1990, be a date not sooner than the 1st day of April next succeeding the due date; and

“(ii) In the case of any rates made and levied in any financial year commencing on or after the 1st day of July 1990, be a date not sooner than the 1st day of July next succeeding the due date.”

(2) Nothing in subsection (1) of this section limits the provisions of section 14 of this Act.

**23c. Commencement and duration of instalment rating**—Section 152 of the principal Act is hereby amended by repealing paragraph (a), and substituting the following paragraph:

“(a) In the case of a special order made by a local authority other than a harbour board, on the 1st day of July next succeeding the date of the confirmation of the resolution to make the special order.”

**23d. Abandonment of instalment system**—Section 157 (2) (a) of the principal Act is hereby amended by omitting the words “31st day of March”, and substituting the words “30th day of June”.

**23e. Adjustment of valuations of land in constituent districts**—Section 192 (2) of the principal Act is hereby amended by omitting the word “December”, and substituting the word “March”.

**23f. Valuer-General to supply certificate**—Section 193 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) On receipt of any application under section 192 of this Act, the Valuer-General shall—

“(a) By the next succeeding 1st day of June, or as soon thereafter as may be; or

“(b) In any case where the Valuer-General has accepted an application made after the 1st day of March in any year, within 2 months after the receipt of that application, or as soon thereafter as may be,—

supply to the special purpose authority a certificate specifying the total amount of the rateable values on the land value or capital value (according to the system of rating in force in the district of the special purpose authority or, as the case may be, according to the values on which levies made by the special purpose authority are assessed), calculated as at the 31st day of March of the year in which the certificate is given or such other date as may be determined by the Valuer-General (being the

\*1988, No. 97

Amendments: 1989, No. 88; 1989, No. 135

date as at which the valuation roll of one of those constituent districts was last revised), of all the rateable property, or, as the case may be, of the improvements on all the rateable property, in each constituent district comprising the district of the special purpose authority."

**23G. Effect of certificate**—Section 194 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

"(1) Every certificate by the Valuer-General under section 193 of this Act shall have effect for the purposes of rates or levies made by or on behalf of the special purpose authority after the 30th day of June in the year in which the certificate is given, and until—

"(a) It is superseded by a certificate issued under this section by the Valuer-General on a subsequent application; or

"(b) A subsequent revaluation is made by the Valuer-General of any of the constituent districts; or

"(c) Where the boundaries of the special purpose authority or of any of the constituent districts are altered after the date of the issue of that certificate to such an extent that in the opinion of the Valuer-General the adjusted values do not fairly reflect the relative values of the constituent districts, the 30th day of June following the date of that alteration,—

whichever event first occurs."

**23H. Adjusted valuation**—Section 203 of the principal Act is hereby amended—

(a) By omitting from subsection (3) the words "31st day of March" in both places where they occur, and substituting in each case the words "30th day of June"; and

(b) By omitting from subsection (4) the word "April", and substituting the word "July".

**23I. Transitional provision**—The amendments made by sections 23E to 23H of this Act shall not have effect in relation to any certificate required to be issued, before the 1st day of June 1990, under section 193 or section 203 of the principal Act, and, in relation to any such certificate and in relation to any application under section 192 or section 203 (1) of the principal Act on which any such certificate is issued, the principal Act shall have effect as if the amendments made by those sections had not been made.

#### EXPLANATORY NOTE

The proposed amendments to *clauses 7 and 8* are designed to improve the drafting of the provisions that determine the manner in which amounts payable under the transitional rating procedure are calculated.

The new *clauses 19B and 19C* amend provisions of Part XI of the Local Government Act 1974. That Part relates to the levying and collection of local authorities petroleum tax. The amendments are required because of the changed financial year and the new structure of local government.

The new *clause 21A* amends section 63 of the Local Government Amendment Act (No. 2) 1989. That section provides that where any final reorganisation scheme prepared under section 15B of the Local Government Act 1974 has been given effect to by Order in Council and the Commission is satisfied that some

further or other provision is necessary to enable or better enable the intention of the scheme to be put into effect, the Commission may, not later than the 31st day of March 1990, issue a determination amending the provisions of the scheme, and every such determination shall be given effect to by Order in Council in the same manner as a scheme. The proposed amendment will extend until 30 September 1990 the period within which the Local Government Commission may exercise the power conferred on it by that section.

The new *clause 22A* provides that the Chatham Islands County Council is to continue to have a Chairperson and a Deputy Chairperson until a Mayor and a Deputy Mayor take office in 1992 after being elected at the general election of members of the Council. The election of the Chairperson and Deputy Chairperson of the Chatham Islands County Council, which was conducted on 10 November 1989, is validated.

The new *clauses 23A to 23H* amend the Rating Powers Act 1988. The amendments, which arise from the changed financial year, affect—

- (a) The penalty date for unpaid rates:
- (b) The commencement date for instalment rating:
- (c) The abandonment of the instalment system:
- (d) Valuation equalisation provisions:
- (e) Updated valuations.

The new *clause 23I* is a transitional provision in relation to the valuation equalisation provisions.