DRAFT REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND POLICY

Policy type	Council		
Authorised by	Council		
First adopted	24 June 2003	**Minute reference**	**M03//70.4**
Revisions/amendments	28 June 2007 23 June 2009 28 June 2018 Xx xx xx 2022	**Minute references**	**M07/57.2** **M09/50.6** **M18/56** **CO/XX/XX**
Review date	The policy must be reviewed every six years.		

1. PURPOSE

1.1 To ensure that Council's approach to the rating of Māori freehold land recognises that land is a taonga tuku iho of special significance to Māori, avoids further alienation of land, and enables the land to be developed for the benefit of the owners their whanau and hapū.

2. SCOPE

2.1 The policy applies to the rating of Māori freehold land, or any land returned to collective iwi or hapū ownership through treaty settlement or a right of first refusal scheme, or land that has been temporarily transferred to general title, in Tauranga.

2.2 Land that is leased commercially is excluded from the scope of this policy.

2.3 Land returned for commercial redress will not generally be eligible for remission under this policy.

3. BACKGROUND

3.1 Māori freehold land is determined by the Māori Land Court and is held by individuals who have shares together as tenants in common. In a modern context it has two main characteristics which make it a unique land tenure: economic value and cultural value. Development of the land relies heavily on support from a sufficient number of owners. Māori freehold land is sometimes referred to as "multiply-owned Māori land".

3.2 Māori freehold land and general title land are very different in tenure and purpose. While you can develop both types of land, there are significantly more barriers to achieving development on Māori freehold land as well as legislation that specifically controls and directs how Māori freehold land can be used and sold. As the rules for valuing Māori freehold and general land are the same, rates valuations may not account for the challenges in developing Māori freehold land nor non-western understandings of land value.

3.3 Councils can recognise the challenges to developing Māori freehold land through policies that provide for partial or full remission of rates. Developing Māori freehold land for the economic and cultural benefit of the owners will benefit the whole community. New housing and associated papakāinga will further Māori cultural identity and connection to Tauranga Moana. It will also reduce the overall shortfall of healthy housing for everyone in our community. Creating commercial business ventures on Māori freehold land will create new jobs within our rohe and benefit our city and the wider region's economy.

4. DEFINITIONS

Term	Definition
Capital value	Is the sum that the owner's estate or interest in the land, if unencumbered by any mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to require (Rating Valuations Act 1998)
Development	For the purposes of this policy, refers the establishment of activity on otherwise unused land and could include housing, papakāinga, or commercial activity or where urban development infrastructure has been constructed to enable future development
Māori freehold land	is land which has beneficial ownership that has been determined by a Freehold Order issued by the Māori Land Court
Medicinal plants	For the purposes of this policy, refers to rongoā Māori (traditional Māori medicines)
Occupied land	is land used as a place of residence or occupied for a period of time exceeding six months in a calendar year.
Ratepayer	means the person or persons identified in the rating information database as the person who is liable for rates – generally that person is the owner of the rating unit.
Rating unit	is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criteria is the existence of a separate certificate of title.
Remission	is when the requirement to pay the rate for a particular financial year is (either partially or fully) forgiven.
Residential	means the use of land and buildings for domestic or related purposes.
Services charges	are a targeted rate specifically relating to the provision of kerbside waste collection, water, and waste water services to a rating unit.

Unused land	Refers to a rating unit where there is no person actually using any part of the rating unit; or the entire rating unit is used in a similar manner to a reserve or conservation area and no part of the rating unit is leased by any person or used as residential accommodation; or 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.
Wāhi tapu	means the place is sacred to Māori in the traditional, spiritual, religious, historical, or mythological sense. Those places defined as 'wāhi tapu' vary from hapū to hapū.

5. PRINCIPLES

5.1 The collection of rates from all sectors of the community should be fair and equitable whilst acknowledging that Māori freehold land has particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates. Providing for the fair and equitable collection of rates on Māori freehold land also supports the principles of Te Tiriti o Waitangi.

5.2 The rating of Māori freehold land will reflect its actual use.

5.3 The remission or postponement of rates on Māori freehold land, land returned to iwi or hapū ownership through treaty settlement or a right of first refusal scheme, or land that has been temporarily transferred to general title enables the development and use of the land for economic or other purposes that benefit the owners, their whanau, and hapū.

5.4 Providing for the remission of rates on Māori freehold land, land returned to iwi or hapū ownership through treaty settlement or a right of first refusal scheme, or land that has been temporarily transferred to general title may benefit Tauranga through the provision of housing or employment opportunities.

5.5 Providing for the remission or postponement of rates recognises and takes account of the presence of wāhi tapu or natural character that may affect the use of land for other purposes.

5.6 The overarching principles identified in the Revenue and Financing Policy apply to all land included in the scope of this policy.

6. POLICY STATEMENT

6.1 Rates remission on land subject to development

6.1.1 Council may enter into a remission of rates arrangement with the trustees, owners, or occupiers of land included in the scope of this policy where the trustees or owners have expressed intention to develop the land and where council is satisfied such an arrangement provides for one or more of the benefits listed in section 114 of the Local Government (Rating Act) 2002. (Applications may demonstrate more than one benefit).

6.1.2 Remissions will be considered on receipt of a remission application, to ensure an opportunity for specific properties to be considered on a case-by-case basis exists.

6.1.3 Applications for remission must be in respect of land included in the scope of this policy, and where the ratepayer is the owner of the land.

6.1.4 In general, services charges will not be remitted.

6.2 Level of remission on land subject to development

6.2.1 Council will remit 100% of all rates, except service charges, of the defined and agreed development, or defined and agreed stage of development, where the development is located on land within the scope of this policy.

6.2.2 Rates will be remitted until such time as the development is complete, or the development is generating income, or persons are residing in houses built upon the land. Flexibility is retained to negotiate a lengthier period of time where desirable.

6.2.3 Council may request additional documentation where necessary to determine the start and finish dates of a proposed development or the staging of a development.

6.2.4 Developments that are staged can apply for remission for each separate stage of the development.

6.3 Rates remission on unused land

6.3.1 Wholly unused Māori freehold land is non-rateable under the Local Government (Rating) Act 2002. Council may also remit services charges on wholly unused land.

6.3.2 Land returned through treaty settlement or right of first refusal, or land that has been temporarily transferred to general title, may receive 100% remission of rates where that land is similarly unused and has no immediate possibility of development.

6.4 Rates remission for limited productive use

6.4.1 Council staff may negotiate remission of up to 100% of rates, except services charges, on Māori freehold land that:

- is not being used for any productive purpose, or may be too small to be commercially productive; or
- does not generate any significant economic or financial benefit but may provide kai or medicinal plants for personal or community use.

6.5 Remission to adjust Māori freehold land values

6.5.1 In general, land is valued for rating purposes on its capital value. Recognising that the capital value or highest and best use may not reflect the value or significance of land to Māori or be able to be achieved within Māori ownership, council may remit the portion of rates attributed to the subdivision potential.

6.6 Remission for land used for non-commercial purposes for the benefit of Māori

6.6.1 Upon application, 100% remission of all rates except service charges may be made available where land provides for a non-commercial activity that benefits Māori (including community facilities, marae, and associated infrastructure) or supports the functioning of a papakāinga.

6.7 Postponement of rates

6.7.1 Provision is retained for postponement of rates on Māori freehold land. Postponement of rates will be considered on receipt of an application and where rates on the land is not already remitted and where it is agreed that postponement of rates is necessary to support ongoing economic development of the land.

6.7.2 Where an application is received, consideration must be given to the purpose of this policy.

6.7.3 When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council and will:

- state the amount of postponement; and
- state the timeframe or conditions upon which the postponed rates willbecome due and payable; and
- acknowledge that the postponed rates will be registered as a chargeagainst the land; and
- be signed by both parties.

6.7.4 The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

7. RELEVANT DELEGATIONS

7.1 The following officer, and all of the officers in a direct line of authority above them, including the General Manager of their division, are delegated the authority to make decisions as to whether and how this policy applies (and therefore rates are postponed or remitted), including the exercise of any Council discretion provided for in the policy, and to sign on behalf of Council the postponement agreements.

Manager: Transaction Services

Revenue Collections and Māori Land Specialist

Any officer who performs or exercises the same or substantially similar role or function as to the officers above, whatever the name or their position.

8. REFERENCES AND RELEVANT LEGISLATION

8.1 Local Government (Rating) Act 2002
Local Government Act 2002
Rating Valuations Act 1998
Te Ture Whenua Māori Act 1993

9. ASSOCIATED POLICIES/PROCEDURES

Property Acquisition and Disposals Policy
Revenue and Financing Policy