

# Policy on Remission and Postponement of Rates on Māori Freehold Land

## General provisions for the remission of rates

The policy shall apply Māori freehold land, which meets the relevant criteria as approved by Council. Council may delegate the power to approve rates remission to Council Officers under section 132 of the Local Government (Rating) Act 2002.

Any ratepayer granted rates remission is required to meet all remaining and applicable rates in full that are owed in addition to the amount eligible for the rates remission.

## Introduction

The Local Government Act 2002 (section 102(1)) requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. Section 102(3A) states that the policy must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This policy supports the principles by recognising the special circumstances and constraints pertaining to Māori freehold land, the risk to retention of the land in the hands of its Māori owners from unpaid rates, and the difficulties of occupation, development and utilisation of that land for the benefit of its owners and their whānau and hapū.

This policy follows the principle of ensuring the fair and equitable collection of rates from all sectors of the community, recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates. The policy allows for remissions where the land is unoccupied and non-income producing and where a temporary remission would assist in the economic development of the land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. This policy explains the conditions and criteria under which the Council might consider it appropriate to provide rates relief in respect of Māori freehold land.

In determining this policy, the Council has taken account of those matters set out in Schedule 11 of the Local Government Act 2002 – matters relating to rates relief on Māori Freehold Land.

This includes the recognition that there are particular cultural, historical and legal factors that distinguish Māori Freehold Land from General Land. These factors include:

- a) The land is generally multiply owned; and/or
- b) There are legislative and cultural constraints on the ability to alienate Māori Freehold Land (and in many cases, the owners do not want to alienate the land) and therefore it is not freely tradeable; and/or
- c) The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

- a) The nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land); and/or

- b) The land has some special significance which makes it undesirable to develop or reside on; and/or
- c) The land is isolated, difficult to access and marginal in quality.

In compliance with the Local Government Act 2002 and in recognition that the nature of Māori Freehold Land is different from General Land, the Council has formulated this Policy on the Remission and Postponement of Rates on Māori Freehold Land.

The Council only remits rates on Māori freehold land, it does not allow postponements.

As at the time of adopting this policy (24 May 2024) there are a small number of applicable properties within the Nelson City Council boundaries. It is anticipated that several more might meet the criteria in the future. This assessment is based on the Māori Land Court register, Council rating information and Council's GIS (Geographic Information System) records.

### **Objectives**

To recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances that make it appropriate to remit rates for defined periods of time.

To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.

To recognise situations where land has been set aside for cultural or natural heritage reason and no income is derived from the land.

To avoid further alienation of Māori Freehold Land as result of pressures that may be brought by the imposition of rates on unoccupied land.

To recognise matters relating to the physical inaccessibility of land.

To provide the ability to grant remission for portions of land that is not occupied.

To support the traditional relationship of kaitiakitanga (guardianship) to the land including the use of the land by the owners for traditional purposes.

To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

### **Conditions and criteria**

Council will maintain a 'Māori Freehold Land Rates Relief Register' for the purpose of recording properties on which it has agreed to remit rates pursuant to this Policy. The Register will comprise the following list, being:

- a) The 'Māori Land General Remissions List', used to achieve the above objectives.

Council may at its own discretion add properties to the register. Rating relief, and the extent thereof, is at the sole discretion of Council and may be cancelled or reduced at any time.

Council will review the Register annually and may:

- a) Add properties that comply, and
- b) Remove properties where the circumstances have changed and they no longer comply.

The Council will consider remitting rates on Māori Freehold Land if the following criteria are met:

- a) The land is Māori Freehold Land as defined by section 5 of the Local Government

(Rating) Act 2002.

- b) The land is multiply-owned and unoccupied Māori freehold land that does not produce any income and there is no economic or financial benefit derived from the land, or only a small portion of the land is occupied.
- c) An application for a remission of rates has been made in writing annually, except where a remission has been granted for a longer period or when staff recognise that a property is unoccupied or uneconomic to use. Staff may initiate the application for remission of rates so that arrears are not overstated in the Council's records.

The remission for land recorded in the Māori Land General Remissions List will be 100% of any rates except targeted rates made for water supply, sewage disposal or refuse collection.

Any approved remission will generally be for a period of one year, but may be considered for up to three consecutive rating years. Where the Council is considering a remission of rates for past rating years, the three year maximum period of remission may be exceeded at the Council's discretion.

Applications for the remission of rates for Māori Freehold Land will be approved by Council officers according to the Council's delegations register.

### Procedure

A request for rates remission by the owners, their agent or the person(s) proposing to use the land must include:

- a) Details of the land
- b) Documentation that shows the ownership of the land, and
- c) Reasons why remission is sought.

**Effective Date:** 1 July 2024

**Legal compliance:** In accordance with sections 102 and 108, and Schedule 11 of the Local Government Act 2002

**Approved by:** Council on 24 May 2024.