

Report to: Council

Meeting Date: 24 June 2020

Subject: Adoption of Rates Resolution for 2020/21



Purpose of Report

- 1.1 The purpose of this report is for Council to set the rates, due dates for the payment of rates and penalties regime for the 2020/21 financial year.

Significance and Engagement, Social Impact

- 2.1 This report does not trigger the Significance and Engagement or Social Policies.

Background

- 3.1 The Long Term Plan 2018-28 forecasted a rates increase of 4.03% for 2020/21.

Discussion

- 4.1 The rate requirement for the Annual Plan 2020/21 (AP) is \$27.98m including GST. This is an increase of 3.50% on the 2019/20 rates requirement.
- 4.2 The rates resolution has been checked and approved by Simpson Grierson.

Suggested Resolutions

- 1 That the report on Rates Resolution for 2020/21 be received.
- 2 That pursuant to section 23 of the Local Government (Rating) Act 2002, Council sets the rates as set out below, for the year commencing 1 July 2020 and ending 30 June 2021. The amount of the rate is set out in the fourth column of the Schedule of Rates for 2020/21 below:

1 General Rates

1.1 General Rate

A General Rate set on the basis of Capital Value (CV) to fund general activities. This rate is set on a differential basis as described below and assessed on all rateable land.

- 1.1.1 The General Rate differentials are based on the CV and land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are as set out in the following table. (*Refer Local Government (Rating) Act 2002, S13(2)(b) & S14, and Schedules 2(1&8) & 3(2)*)

General Rate Differentials	
Basis	Differential
All rating units other than hydro-electric properties with a CV in excess of \$50 million	100%
Hydro-electric properties with a CV in excess of \$50 million	61%

1.2 **General Rate – Defence Land**

Defence Land is rated on Capital Value but, in accordance with Section 22 LGRA, the assessed rate will not exceed the amount that would have been charged if the District's rate was calculated on the Land Value only. (Refer Local Government (Rating) Act 2002, S22)

1.3 **Uniform Annual General Charge (UAGC)**

A UAGC set on the basis of one charge assessed on every separately used or inhabited part (SUIP) of a rating unit. This rate has been set at a level designed to ensure that the total of the UAGC and Uniform Targeted Rates, exclusive of those set for water supply or sewerage disposal do not exceed the allowable maximum of 30%. (Refer Local Government (Rating) Act 2002, S15 & 21 and Schedule 3(7))

2 **Targeted Rates**

2.1 **Land Transport**

2.1.1 **Land Transport Differential Rate**

A targeted rate set on the basis of Capital Value (CV) on all rating units in the District to fund land transport. This rate is set on a differential basis as described below.

The Land Transport Rate differentials are based on the CV and use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are set out following table.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(b) and Schedules 2(1&8) and Schedule 3(2))

Land Transport Rate Differentials		
Differential	Basis	Basis
General	All rating units other than the following:	100%
Hydro-electric	Rating Units used for Hydro-electric purposes with a Capital Value in excess of \$50 million	61%
Forestry	Rating Units used for exotic forestry with a Quotable Value Property Use Code of FE	200%

2.1.2 **Kaha and Tau Street Resealing**

A targeted rate set on the basis of a fixed amount assessed on every rating unit within the defined rating area to fund the resealing of Kaha and Tau Streets.

The defined Rating Area is as follows - All rating units with frontage on Kaha or Tau Streets, Rangataua (excluding the three rating units with frontage on a short section of Tau Street already sealed: valuation numbers 12765 198 00; 12765 222 00; 12765 223 00.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a))

2.2 **Economic Development Rates**

2.2.1 **Economic Development Targeted Rate**

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(a) and Schedule 3 (7))

2.2.2 **Economic Development Commercial Targeted Rate**

A targeted rate set on the basis of Capital Value (CV) assessed on every rating unit with Council's Valuation Service Provider's Property Use Codes C (Commercial) and I (Industrial) to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a), and Schedules 3(2))

2.2.3 Non Commercial Visitor Accommodation Targeted Rate

A targeted rate to part fund Economic Development and the Regional Tourism Organisation, on the basis of a fixed amount assessed per SUIP of every rating unit that is advertised in any form as providing short term accommodation, except those rating units assessed in the Economic Development – Commercial targeted rate.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) and schedule 3(7))

2.3 Solid Waste Rates

2.3.1 Solid Waste – Waste Minimisation Management and Facilities

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund the cost of landfills, transfer stations and general recycling costs, plus all other refuse costs not included in the service charge for kerbside collection charged to individual households.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(a) and (4)(a) & Schedule 3 Cl 7)

2.3.2 Solid Waste - Kerbside Collection

A targeted rate set on the basis of a fixed amount assessed differentially on every SUIP to which Council provides the service, to fund the cost of kerbside (refuse and recycling) collection services. Note: Vacant land and land with minor improvements are deemed not to receive the service therefore are not subject to this rate.

Note: Refuse is collected for all SUIPS, whereas recycling is only collected from residential units.

Solid Waste - Kerbside Collection Rate Differentials		
Basis		Differential
General Differential	All rating units within the rateable areas defined AND used for "Residential" ^[1] purposes. Note: vacant land and land with minor improvements will not be liable for this rate	100%
Commercial Differential	All rating units within the rateable areas defined AND used for any purpose other than residential. Note: vacant land and land with minor improvements will not be liable for this rate	50%

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(b), Schedules 2 (1&5) & 3(7))

2.4 Stormwater & Flood Protection Rates

A targeted rate set on the basis of a fixed amount assessed on every SUIP within the following urban communities to which stormwater and flood protection services are provided to fund these services. In this context, "are provided" means that the rating unit is within a water or sewerage supply area or an area serviced by kerbside collection and is liable for any of those rates.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) & Schedule 3 Cl 7)

Stormwater Rating Areas
Taumarunui, Piriaka, Ohakune, Raetihi, Owhango, National Park, Rangataua, Waiouru, Kakahi

^[1] As defined as residential by Council's Valuation Service Provider and included in the Valuation Information Database

2.5 Sewerage

2.5.1 Sewerage Service Rate

A targeted rate assessed on a differential basis for any land which is connected or capable of connection¹, either directly or indirectly, to any of the District's public sewerage systems as follows:

Sewerage Differential Rate		
Differential	Description	Basis
General Use	Land other than land used for Primary and Secondary Schools	100%
School Use	Land used for Primary and Secondary Schools.	30%

(Local Government (Rating) Act 2002, Section 16(3)(a) and (4)(a) and Schedules 2(1), 2(5) & 3(7) & 3(12))

The rate is assessed per SUIP of a rating unit for general use land and per pan for schools.

2.5.2 Pan Rate (Water Closet or Urinal)

A targeted rate assessed on any rating unit in the general use category as defined above that has more than two pans per SUIP and which is connected, either directly or indirectly, to any of the District's public sewerage systems². The rate is assessed per pan.

(Refer Local Government (Rating) Act 2002, Section 16(3)(b) and 16(4)(a) and Schedule 2(1), 2(5) & Schedule 3(12))

2.6 Water

2.6.1 Water Rate

A targeted rate on the basis of an amount assessed on every SUIP that is connected or capable of connection³, either directly or indirectly, to any of the District's Public Water Supply Systems, set on a differential basis.

(Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(a) and Schedule 3(7))

Water Differential Rate		
Differential	Description	Basis
General Use	All Rating Units/SUIPS other than those defined as Extraordinary Use	100%
Extraordinary Use	Rating Units/SUIPS are deemed extraordinary by land use, Councils Water Bylaw, or agreement with Council.	120%

(Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedules 2(1) & 3(7))

2.6.2 Water by Meter Charges (N.B. water by meter charges are not rates pursuant to the LGRA)

Users connected to any Council water supply where the supply is recorded through a water meter will be assessed the Water Differential Rate, as outlined above. In

¹ Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council.

² In terms of the Local Government (Rating) Act 2002 Schedule 3(4) a rating unit used primarily as a residence for one household will be treated as having only one water closet or urinal.

³ Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.

addition, they will be charged for any water consumed according to the prevailing Schedule of Fees and Charges.

2.7 Lump sum Contributions

Council is not seeking any lump sum contributions in respect of any targeted rates. (Local Government act 2002, schedule 10 clause 15(4)(e)).

3 Schedule of Rates for 2020/21

Please note all rates Inclusive GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2	Rates 2020/21	
			Rate GST incl.	Total Rate GST incl.
GENERAL RATES				
Uniform Annual General Charge	Per SUIP ⁴	-	\$628.69	\$5,499,145
General Rate – General Differential	Capital Value	1 & 8	\$0.00210771	\$7,944,811
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00128120	\$390,266
General Rate – Defence Land	Land Value	1	\$0.00074493	\$153,753
TARGETED RATES				
Land Transport				
General	Capital Value	1	\$0.00104628	\$3,849,818
Hydro Electrical	Capital Value	1 & 8	\$0.00063594	\$193,714
Forestry	Capital Value	1	\$0.00208505	\$187,399
Kaha and Tau Street Resealing	Per rating unit		\$124	\$3,974
Solid Waste				
Solid Waste - Kerbside Collection				
Residential	Per SUIP	1	\$126.07	\$530,504
Commercial	Per SUIP	1	\$63.85	\$33,968
Solid Waste Charge	Per SUIP	-	\$47.36	\$414,215
Stormwater - Flood Protection				
Stormwater/Flood Protection Urban	Per SUIP		\$90.95	\$516,761
Wastewater				
District Wide Sewerage Rate				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$514.48	\$2,382,536
School use	Per Pan	1 & 5	\$154.34	\$36,888
District Wide Additional Pan Rate				
General Use Per pan in excess of 2 pans per SUIP	Per Pan	-	\$257.24	\$370,422
Water				
District Wide Water Rate				
Connected or capable of connection	Per SUIP	1	\$772.05	\$4,379,069
Extra-Ordinary	Per SUIP	1	\$926.46	\$34,279
Economic Development Rates				
Economic Development Rate	Per SUIP	-	\$64.32	\$562,553
Economic Development Commercial Rate	Capital Value	-	\$0.00168625	\$422,636
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$200	\$71,400

⁴ Separately Used or Inhabited Part of a rating unit

4 Due Dates for Payment of Rates

That the Council resolves that the rates for 2020/21 are payable in four equal instalments, on the dates set out below in 6(a).

5 Discount

A discount of 3% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2021 are paid in full by 20 August 2020, on condition that no rates remain unpaid from previous years.

6 Penalties

That the Council resolves the following penalties regime:

- (a) A penalty of 10% will be added to any amount of an instalment of rates remaining unpaid after the relevant due date and will be added on the dates set out in the table below:

Instalment	Due Date	Penalty Date
1	20 August 2020	25 August 2020
2	20 November 2020	25 November 2020
3	22 February 2021	25 February 2021
4	20 May 2021	25 May 2021

- (b) A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2020. The penalty will be applied on 10 July 2020.
- (c) A further penalty of 10% will be added to any amount of rates to which a penalty has been added under paragraph (b) above that remain unpaid on 13 January 2021. The penalty will be added on 13 January 2021.
- (d) Council delegates authority to the Financial Controller, to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found on Council's website: www.ruapehudc.govt.nz.



Alan Young
FINANCIAL CONTROLLER

Email address for point of contact: Alan.Young@ruapehudc.govt.nz

10 June 2020