

FACT SHEET

Local Government Amendment (Rates) Bill 2017

The Local Government Amendment (Rates) Bill 2017 (the Bill) makes changes to the local government rating system including:

clarifying that exemptions from non-service rates under section 87(1)(b) of the *Local Government Act 1993* do not apply to Crown land that is subject to leases, and licences that confer a right to exclusive occupation and are used for commercial or private use;

providing an exemption from non-service rates for unallocated seabed Crown land and seabed Crown land within municipal areas that supports a marine farming lease made under Part 4 of the *Marine Farming Planning Act 1995*;

- extending the definition of municipal area to include land that adjoins municipal areas in certain circumstances;
- validating all current and previous rates notices that were issued in relation to land previously subject to an exemption under section 87(1)(b) of the Local Government Act, other than those rates notices issued to the Crown; and
- amending section 120 of the Local Government Act in relation to the liability of rates, specifically in relation to Crown land leases and licences.

Crown land exemptions

The Bill clarifies that rating of Crown land is based on land usage rather than ownership. Crown land lease holders, and licence holders where the lease or licence is issued for a non-public use (ie commercial or private) will not be eligible for an exemption from non-service rates under section 87(1)(b) of the Local Government Act. Licence holders, where their licence does not confer a right to exclusive occupation or if the licence is issued for the benefit of the Crown, will continue to be exempted from non-service rates.

The Bill provides the capacity for councils to ensure consistency and equity for ratepayers and ensures that those who exclusively use reserved Crown land for commercial or private purposes, contribute to the infrastructure and services provided by councils to their communities through the payment of general rates.

The Bill also provides the capacity for councils to ensure that commercial operators on exempted Crown land do not gain an advantage, by not being rated, over commercial operators on either non-government owned land or unreserved Crown land which are subject to rates.

Marine farms and unallocated sea beds

The Bill provides an exemption from general rates to Crown land seabed within municipal areas that supports a marine farming lease made under Part 4 of the Marine Farming Planning Act. This ensures there is commercial equity between marine farms that are located within municipal areas and outside of municipal areas. Marine farms outside municipal areas are not valued and therefore are not liable for council rates.

Unallocated Crown land seabed is also exempted from general rates by the Bill. This reflects the public use of these areas. Allocated Crown land seabed, for example jetties and marinas, will continue to be valued and therefore may be liable for council rates subject to the relevant council rating policy.

Land attached to but outside municipal boundaries

Section 16 of the Local Government Act provides that a municipal area is an area specified in Column 1 of Schedule 3 of the Act, and includes any accretion from the sea adjoining it, and any part of the sea shore to the low water mark adjoining it.

The Valuer-General has a duty to value Crown land within a municipal area. Councils can only rate land that is valued.

The Bill clarifies that where either a portion of a development or a right to occupation extends outside the municipal boundary, although a logical extension from the municipal boundary, or a development adjoins the municipal boundary, it is included as being part of the municipal area.

Validation of rate notices

The Bill provides for the validation of past rates notices issued for areas of land attached to but outside municipal boundaries and Crown land as defined in section 87(1)(b) of the Local Government Act.