

8. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

8.1 NOTICE OF MOTION

8.1.2 Development of Policy for Rates Remission for Non-Contiguous Agricultural Land.

FILE NO:	#
COUNCIL DATE:	22 June 2015
REPORT DATE:	22 June 2015
LOCATION/ADDRESS:	N/A
APPLICANT:	Commissioner
SENIOR OFFICER:	N/A
REPORTING OFFICER:	N/A
DISCLOSURE OF INTEREST:	Nil
APPENDICES:	Nil
DOCUMENTS TABLED:	Nil
MOTION TABLED BY:	Commissioner James Best

Summary:

An Agricultural property on separate titles are penalised under Councils current rating system. It is proposed to investigate the merits of developing a Policy for Rates Remission for Non-contiguous Agricultural Land.

Background:

This idea for an Agricultural Rates Policy is based on the need for equity and for the remission of rates where two or more uniform annual general charges and two or more sets of targeted uniform annual charges are set on rating units that are:

1. Non-contiguous
2. Owned by the same person or corporate body
3. Used jointly as an economic unit for an agricultural practice

All properties must be used for the purpose of agriculture and be located outside the urban area as defined in the Hurunui district plan

The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units

Each separately used or inhabited rating unit will attract an annual general charge and the targeted rates that are set on a uniform basis

Not carry sufficient improvements to allow it to be operated as a separate agricultural unit

Not be occupied by a habitable dwelling

Consultation:

N/A

Statutory Environment:

N/A

Policy Implications:

N/A

Financial Implications:

N/A

Strategic Implications:

Nil

Voting Requirements:

Commissioner's Voting Support

Site Inspection:

Not Applicable

Triple bottom Line Assessment:

Economic Implications:

Nil

Social Implications:

Nil

Environmental Implications:

Nil

Officers Comment:

N/A

Agenda Settlement Briefing Comment:

N/A

NOTICE OF MOTION

"That Council:

- 1. Request the A/Chief Executive Officer investigate the merits of rates remission for non-contiguous agricultural land -- consistent with the Local Government Act 1995, Council Policy and any other relevant regulations.***
- 2. That consultation be conducted with stakeholders through the Business Development Working Group.***
- 3. Request a report on the matter to Council at the first available opportunity."***

Policy for Rates Remission for Non-contiguous Agricultural Land

All ratepayers will pay at least one uniform annual general charge and the targeted rates that are set on a uniform basis. Properties eligible under this policy shall be deemed to be one rating unit for the purposes of setting any uniform annual charge.

Interpretation

Definition of non-contiguous: Not sharing an edge or boundary; not touching

Definition of Agricultural: Land used for horticultural, row, close grown, pasture, and hay land crops; growing nursery stocks, animal feedlots; farm yards; associated building sites; located on any of the foregoing.

Remissions on charges on non-contiguous properties – Introduction (Objectives)

The purpose of this policy is to ensure that agricultural properties on separate titles are not unduly penalised by Council's rating system. This policy provides for the remissions of rates where two or more uniform annual general charges and two or more sets of targeted uniform annual charges are set on rating units that are:

1. Non-contiguous
2. Owned by the same person(s) or body
3. Used jointly as an economic unit for an agricultural practice

Conditions and Criteria

1. All properties must be used for the purpose of agriculture and be located outside of the urban area as defined in the Hurunui District Plan and;
2. The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each separately used or inhabited rating unit will attract a uniform annual general charge and the targeted rates that are set on a uniform basis. Any additional dwelling on the rating unit will attract a uniform annual general charge and the targeted rates that are set on a uniform basis.
3. The rating unit for which the remission is sought must:
 - a) Be separately occupied by the same ratepayer/s that use the rating units jointly for an agricultural purpose;
 - b) Not carry sufficient improvements to allow it to be operated as a separate agricultural unit;
 - c) Not be occupied by a habitable dwelling;
 - d) Be an economic farming unit as at 1 July of the year being applied for.
4. This policy will only apply for the year that the application is made, and will continue until the ownership of that land changes.

Group Valuations - Unimproved Values in Rural Areas

Unimproved Values – Rural Valuation Policy 4.310

Legislative Authority

[Valuation of Land Act 1978](#), Sections 4(1), 18, 23

Legal Precedent

Gilbert - v - Hickenbottom – [1956] 2 Q B40

Colonial Sugar Refining Co Ltd - v - Valuer-General [1970] 37 QCLR 176

Robertson and Valuer-General [2007] WASAT 213

Merrick Tyler Pty Ltd - v - Commissioner of Main Roads [2015] WASCA 82

Background

Rural land is often held in common ownership comprising one or more lots or parcels of land. Where lots adjoin, the Valuer-General must determine whether a group valuation is to apply.

Policy

Contiguous rural land held in the same ownership, used and occupied as one property and which would reasonably be expected to sell as one holding, is to be valued as a single valuation entity.

Individual values will apply to land except where it can be demonstrated that:

- The lots are contiguous and in common ownership.
- The lots are used and occupied as one holding and would normally be expected to sell as one holding.
- The current conjoint use will continue into the foreseeable future.
- The basis of valuation is supported by sales evidence.

Definitions:

"Contiguous"

Case law has generally applied a strict definition of "contiguous" or "adjoining" that requires land to physically abut or touch. However for the purposes of determining the unimproved value of land in rural areas a wider interpretation which acknowledges the practical aspects of land utilisation and farming operations applies:

- a) Where survey boundaries abut or adjoin.
- b) Where locations or lots are separated by a road, drain or watercourse reserve, they may be deemed contiguous.
- c) Where a property is actively used as one and would reasonably be expected to sell as one landholding, even though boundaries do not strictly adjoin, the property may be deemed contiguous.

"Same Ownership"

- a) Identical names as per Certificates of Title.
- b) Common owner or occupier as per definition under the Local Government Act 1995 at Section 1.4.
- c) Where names on the certificates of title for contiguous lots have common however not identical parties, the local government authority may endorse specific family names as being the "owner" for entry in the Rate Record and these will apply for entries on the valuation roll.

Date Policy Came into Force

14 November 2003

Date of Most Recent Review

11 March 2016

Authorising Officer



Graham Jeffery
Valuer-General
Director of Property and Valuation Services
LANDGATE