

ML21/02 - Māori Freehold Land used for the purposes of Papakainga or other housing purposes subject to occupation licenses or other informal arrangements

Background

~~Following amendments to the Local Government (Rating) Act 2002 that come into force from 1 July 2021, this policy now applies only in relation to the UAGC and targeted rates, excluding water and wastewater, that would be charged to the apportioned account. Section 98B and 98C of the Local Government (Rating) Act 2002 identify that a UAGC or targeted rate (not service rates) must be apportioned to the separate parts of the unit but cannot exceed the value that would be applied if it were only one rating unit.~~

~~The effect of this would be to increase the rates applied to users, which is not the intended outcome of the amendment.~~

The Far North District Council recognises that occupation licenses, or other informal arrangements, only provide an interim or temporary right to occupy part or all of an area of Māori Freehold Land. This right is only available to the licensee, or informal occupier and does not create an interest that can be transferred or bequeathed as part of an estate. This form of occupation is different to an occupation order, which provides a permanent right to occupy an area of land and can be passed on to future generations.

Occupation licenses are generally used to define a specific area of Māori Freehold Land that the licensee can occupy for the purposes establishing a dwelling. At the termination of the license, the dwelling has to be removed or transferred to the owners of the land.

Informal arrangements are where a person occupies an area of Māori Freehold Land for a period of time; however, has no formal agreement and no rights to permanent occupation.

The occupier of land that is the subject of an occupation license or informal agreement is generally not required to pay any rental to the owners of the land, i.e. it is not a commercial arrangement.

There is a willingness of occupiers of land that is the subject of these types of arrangements to pay rates in respect of the area of land that they occupy. However, there is a concern that these “parts” may become liable for the UAGC and other non-service-related charges assessed on the basis of a separately used or inhabited part of a rating unit.

This policy statement has been prepared to address these issues. It recognises that papakainga and similar housing on Māori Freehold Land are generally occupied by members of owner’s families and no rentals are payable.

The policy is consistent in effect to the treatment of multiple housing on general title land, where the separate parts are occupied on a rent-free basis by members of the owner’s family.

To assist the occupiers pay the rates of the parts of a rating unit that are the subject of occupation licenses, Council will issue a separate rate assessment for each part as set out in Section 45 (3) and (4) of the Local Government (Rating) Act 2002.

Policy Objectives

1. To put in place processes to apply the UAGC and non-service related targeted rates to the balance of land remaining after recognition of the licence to occupy or informal arrangement.

2. To assist Māori to establish papakāinga or other housing on Māori Freehold Land.

3. To assist Māori to establish an economic base for future development.

4.

Scope

This policy applies only to Māori Freehold Land.

Policy Statement

The Far North District Council recognises that the imposition of multiple UAGCs or other non-service-related charges might act as a disincentive to Māori seeking to occupy Māori Freehold Land for housing purposes.

Council will consider applications for the remission of multiple UAGCs and other charges. Council will charge any UAGC or targeted rates, with the exception of those that are set for the provision of utilities such as water, sewerage etc., in respect of separately used or inhabited parts of a rating unit where these are the covered by occupation licenses, or other informal arrangements, applicable to the rating unit to the balance of land remaining after the licence to occupy or informal arrangement has been recognised.,

Conditions and Criteria

1. The part of the land concerned must be the subject of a licence to occupy or other informal arrangement for the purposes of providing

residential housing for the occupier on a rent-free basis.

2. The area of land covered by each arrangement must have a separate valuation issued by Council's valuation service providers and will be issued with a separate rate assessment pursuant to Local Government (Rating) Act 2002 Section 45 (3).
3. The occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the application.
4. No portion of the service charges for utilities will be remitted.
5. Council reserves the right to cancel the remission on the portion of a rating unit upon which rates remain unpaid for a period of more than one month after the due date (due date can apply to the instalment date or an agreed payment plan).
- 5-6. Uniform Annual General Charges and other charges on the land will remain in remission so long as the occupation continues to comply with the conditions and criteria of this policy.