

Transitional policy for the postponement of rates on farmland

Background

This transitional policy statement has been prepared to address the rating of farmland that previously received a rates-postponement value pursuant to Section 22 of the Rating Valuations Act.

That section of LGA, which has now been repealed, provided for rates relief for the owners of farmland whose values were increased beyond that of other farmland in the district because of the potential use to which the land could be put for residential, commercial, industrial, or other non-farming development.

A number of proper ties in the Far North received these farmland postponement values because their values were significantly enhanced because of their proximity to high valued urban or coastal areas.

This transitional policy provides Council with the ability to continue to provide rating relief to certain proper ties that were receiving a postponement of rates prior to the introduction of the Local Government (Rating) Act 2002, and that qualified after that date under policy P04/04, which has now been repealed.

Policy Objectives

1. To afford rating relief to farmers who had previously been receiving this form of rating relief under the provisions of repealed legislation and/or previous versions of this policy, where Council believes that it is in the interest of the district to maintain a postponement of rates to reduce the incidence of coastal development.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

This Transitional Policy is restricted to those farms which are owner operated, where the owner is a natural person and/ or is a company where the owners live on and operate the farm as a personal business. The policy specifically excludes those farms which are held as investment properties where the owners, corporate or otherwise, live either outside the district¹.

Conditions and Criteria

1. This policy provision only applies to those rating units which previously qualified for a postponement of rates under policy P04/04, which was repealed on 30 June 2006, and which continues to be owned by the same ratepayer/s who owned it at that date.
2. Council will not accept any new applications under this policy.
3. For the purposes of this transitional policy, the definition of qualifying farmland has been revised as follows:
 - a. Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes but excludes land that is used for forestry, life style, or farm park type purposes
 - b. The farming operation must provide the principal source of revenue for the owner of the land, who must be the actual operator of the farm and who must reside on the land¹⁵.
 - c. The area of the land that is the subject of the application must be not less than 50 hectares
4. The proper ties that are the subject of this policy will be identified and the rates postponement values determined by Council's Valuation Service Provider and will:

¹ This amendment to the policy is to clarify that the provision only applies to those farms where the farmer lives on the property and manages it as their main source of revenue. It is not designed apply to properties that are held as investments by owners who live outside the district.

- exclude any potential value, at the date of valuation, that the land may have for residential use or for commercial, industrial, or other non-farming use; and will
 - preserve uniformity and equitable relativity with comparable parcels of farmland, the valuations of which do not contain any such potential value.
5. No objection to the amount of any rates postponement value determined under this policy will be accepted by Council (other than where the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential use, or for commercial, industrial, or other non-farming use).
 6. The Postponement Value will be reviewed after each triennial revaluation and the revised value will be advised to the ratepayer. At that time Council will seek the advice of its valuation service provider as to whether they believe that the land continues to be actively farmed and qualifies under the terms of this policy provision. Council reserves the right to ask the owner to provide evidence showing that the land continues to operate as a farm¹⁶.
 7. The owner must agree to a statutory land charge being entered on the Certificate of Title of the farmland before receiving a postponement of rates.

Reinstated Policy