

New Local Government Rating Act

The Local Government (Rating) Act 2002 was passed by Parliament and came into effect on 1 July 2003.

If you are currently the owner of a property or a ratepayer some of these changes will affect you.

Important rates changes

The owner of the property is responsible for paying rates – not the occupier of the property. Even if you have a commercial lease that states the lessee pays the rates, responsibility for payment of rates remains with the owner. However, there are some exceptions for example where a lease is entered into before 8 August 2001 and where rent cannot be renegotiated, or where there is a registered lease of at least ten years which applies to the whole rateable property. Please contact the Council if you think this may apply to you.

The owner of the property will also be responsible for paying water rates charged through a water meter. It is up to the owner to recover these costs from tenants or other users of the water supplied.

In most cases, a rating unit will be the area specified in a Certificate of Title. Each separate rateable property is called a rating unit.

Each property will be rated on one rates assessment notice. This means that part of a property, such as a shop in a block of ten, will not be sent separate rates assessments or invoices. In most cases, each separate rating unit will be the area specified on a Certificate of Title. The person liable for the payment of the rates will be the owner of the whole property, unless the lessee continues to be liable for rates. The assessment notice may be in more than one part to identify the different treatment for rating purposes of the property, but in most cases separate rates invoices can no longer be sent out to lessees of the property.

Trustees names appear on Trust rate accounts. Where a property is owned by a Trust, the trustees rather than the Trust are considered to be liable for rates. The Trust can still pay the rates, but the trustees are liable for ensuring rates are paid.

The special rateable values and rates postponement values that were applied to some properties have been removed. Sections in the Rating Valuations Act 1998 that provided for special rateable values and farmland postponement values have been repealed. This means that all general rates will now be assessed based on the capital value of the property.

Wellington City Council rating policies

Wellington City Council rating policies for 2003/04 are detailed in the Council Plan and on our website.

The key policy changes are outlined below.

Changes to general rate differentials

We have renamed our general rate differentials:

- the residential differential becomes the base differential to reflect the fact that not only residential properties pay this rate.
- the non-residential differential becomes the commercial, industrial and business differential to more clearly reflect the types of property that pay this rate.

We also propose to eliminate the rural and farmland differentials to reflect the fact that rural properties have similar access to services as many urban properties. These properties will pay the base general rate. However, properties used principally for farming purposes will be eligible for a 50% remission on this rate.

Sewerage and water charges

Part of the residential portion of water and sewerage rates will still be made up of a fixed amount per property. However, these rates only apply to properties that are connected to the service. Previously properties such as vacant residential land that could potentially be connected were also charged 50% of this rate.

Rates remissions and postponements

Councils can now make their own decisions regarding what types of land or property usage will be eligible for a remission or postponement of rates. Wellington City Council's proposed remission policies include:

- remission of rates on land used principally for farming or conservation purposes
- remission of rates on rural land
- remission of rates on land used principally for games or sport
- remission of rates in special circumstances
- rates penalty remissions.

Details and eligibility criteria for these remissions are available on the Council's website and in the Council Plan. In most cases you will have to apply for a remission. If you receive a rates remission this will be detailed on your rates invoice.

Your rates account

What will you receive?

From 1 July 2003 you will receive a rates assessment at the start of the year that details the rates that are payable to Wellington City Council and to Greater Wellington – The Regional Council for the year. This is for information only.

You will also receive a combined rates invoice every three months. The invoice will detail the amount you need to pay each period to avoid having a penalty added to your account and will also show how much is payable to Wellington City Council and to Greater Wellington – The Regional Council. Wellington City Council will continue to collect rates on the Regional Council's behalf.

The due date is now the date on which rates must be paid to avoid a penalty. You still get the same length of time to pay your rates – it is just that the penalty date is now called the due date.

Access to rating information

We are legally required to make the rating information database for the coming year available for you to view each May. You can access this via the Council's website, by phoning us or visiting one of the Council's service centres.

The database will allow you to find out things such as the rateable capital value and the rates that apply to a property.

We are no longer legally able to include any names or addresses of the owner(s), other than the street address of the property, in the information available to the public.

If you are the ratepayer for a property, or other authorised person, you can contact the Council for other information such as the amount of rates outstanding.

Any questions?

You can find out more about Council rates and what they pay for by visiting our website or requesting a copy of the Council Plan.

If you have any questions about changes to your rates please contact us.

Wellington City Council

Ph: 499-4444

Email: rates@wcc.govt.nz

Website: www.wcc.govt.nz/services/rates

CHANGES TO YOUR RATES

How the new Local Government Rating Act will impact on your rates from 1 July 2003.