



## **Policy 24/112 Postponement on Specific Farmland Properties**

### **Objective of the Policy**

Land may continue to be farmed, but in some situations, such as proximity to the coast, the land value has increased significantly, and the rates set are a disincentive to the continued use of the land in its current form. Council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

### **Criteria and conditions**

Council may postpone rates in accordance with this policy where the following criteria and conditions are met:

1. The properties will be identified and the rates postponement values will be determined by Council's Valuation Service Provider in conjunction with a general revaluation. Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to Council's Valuation Service Provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.
2. The rates postponement value of any land is to be determined:
  - a. To exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
  - b. To preserve uniformity and equitable relativity with comparable parcels of farmland that the valuations of which do not contain any such potential value.
  - c. May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
3. In this policy, "farmland" means a property rated under the category of "rural" in Council's differential rating system.
4. The farming operation should provide most of the revenue for the ratepayer who should be the actual operator of the farm.
5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit, in its own right.
6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that 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 purposes, or for commercial, industrial or other non-farming development.
7. To be considered for rates postponement under this policy, the ratepayer must apply for rates postponement under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete any relevant statutory declarations as may be required by Council.

### **Effect of Rates Postponement Values**

8. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.

9. The amount of the rates for any rating period so postponed shall be entered in the rates records and will be included in or with the rates assessment issued by the council in respect of the rateable property.
10. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

#### ***Rates Set before Postponement Values Determined***

11. Where Council has set rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

#### ***Additional Charges***

12. Council will charge a postponement fee for the period between the due date and the date the rates are paid. This fee is to cover Council's administrative and financial costs and may vary from year to year. This fee payable when the costs are incurred.

#### ***When Postponed Rates Become Payable***

13. All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:
  - a. The land ceasing to be farmland;
  - b. The interest of the owner in any part of the land is transferred to or becomes invested in some person or other party other than;
    - i. the owner's spouse; or
    - ii. the executor or administrator of the owner's estate; or
    - iii. the beneficiaries of a trust on dissolution of the trust, unless this results in the subdivision of the property, with different owners; or
    - iv. at the discretion of Council when the circumstances of the rating unit or the ratepayer are comparable to the above, but are not actually covered exactly by those scenarios.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

#### ***Postponed Rates to be a charge on the Rating Unit***

Where Council has postponed the requirement to pay rates in respect of a rating unit, postponed rates will be registered as a statutory land charge on the rating unit's Record of Title.

#### ***Delegations***

Decisions on postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.