



Cabinet

Minute of Decision

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Approval to Begin Order in Council Process for the Rating Valuations Act 1998

Portfolio Land Information

On 1 May 2023, Cabinet:

- 1 **noted** that the Severe Weather Emergency Recovery Legislation Act 2023 allows the Governor-General to make Orders in Council, on the recommendation of the relevant Minister, to grant exemptions from, modify, or extend any legislation, or any provisions of any legislation referred to in Schedule 2 of that Act, in connection with the whole or a part of a severe weather events affected area;
- 2 **noted** that this proposed Order in Council meets the purposes and key restrictions of the Severe Weather Emergency Recovery Legislation Act 2023;
- 3 **noted** that several severe weather-related circumstances significantly affect the practicability of the Hastings District Council conducting a compliant standard general revaluation by 30 June 2023;
- 4 **noted** these circumstances include:
 - 4.1 approximately 810 potentially flood damaged properties and as at yet unquantified number of pastoral and forestry properties with landslip damage;
 - 4.2 the inaccessibility of information on damage and repair costs for individual cyclone affected properties;
 - 4.3 the unavailability of sales evidence from which to reliably assess and defend values;
- 5 **noted** that it is impracticable to assess the number of damaged properties, either by inspecting them or getting information about damage to them;
- 6 **noted** that to deliver a modified rating valuation system that provides a practicable and defensible valuation basis for rate setting, LINZ, the Valuer-General and the Council propose modifying the Rating Valuations Act 1998 so that:
 - 6.1 the principle that values do not recognise the individual property effects of physical severe weather damage applies;
 - 6.2 the principles also apply to the objection provisions, DVR maintenance provisions and section 16 (new valuation on request);

Legal advice

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8 **noted** that the rating impact of the proposed modified 2022 general revaluation depends on the rating policy applied by Hastings District Council from 1 July 2023 and that Hastings District Council's rating policy is not governed by the Rating Valuations Act 1998;

9 **agreed** that an Order in Council be prepared under section 7 of the Severe Weather Emergency Recovery Legislation Act 2023 modifying the application of the Rating Valuations Act 1998, the Rating Valuations Regulations 1998 and the Rating Valuations Rules 2008, for the Hastings District Council so that:

In relation to the modified revaluation

- 9.1 the values are to be assessed as provided in paragraph 6;
- 9.2 the rights and timeframes for objections by ratepayers be those provided for in the Rating Valuations Act 1998 except that no objection may be made on the basis values have been assessed as provided for in paragraph 6;
- 9.3 notices to ratepayers under section 13 of the Rating Valuations Act 1998 are to include an explanation of the basis for the modified revaluation and the modification of objection rights provided for in paragraph 6;

In relation to maintaining the district valuation roll after the modified revaluation

- 9.4 after implementation of the modified revaluation the Hastings District Council may alter the district valuation roll in the circumstances currently provided for in section 14 of the Rating Valuations Act 1998 and applying (with any necessary modifications) the principles for assessing values referred to in paragraph 6;
- 9.5 new valuations may be requested under section 16 of the Rating Valuations Act 1998 but applying (with any necessary modifications) the principles for assessing values referred to in paragraph 6;

In relation to other related provisions

- 9.6 the definitions of land, land value, capital value, improvements and value of improvements are modified to allow the modified revaluation and arrangements in relation to maintaining the district valuation roll referred to in paragraph 6;
- 9.7 the requirements in the Rating Valuations Rules 2008 for inspections, investigations, collection, analysis and provision of information, and other matters are modified so they are appropriate to the modified revaluation and the modified obligations maintaining the district valuation roll after the modified revaluation;
- 9.8 require implementation of the subsequent standard general revaluation before 30 June 2026 or until implementation of the next standard general revaluations (whichever occurs first);

10 **agreed** that the modified rating valuation system proposal best meets the objectives and purposes of the Severe Weather Emergency Recovery Legislation Act 2023;

- 11 **agreed** that the Order in Council expire on the earlier of 30 June 2026 or the implementation of the next general revaluation, whichever is the earliest;
- 12 **noted** that the requested modifications to the Rating Valuations Act 1998 meet the statutory criteria for making an Order in Council by fulfilling the purposes of the Severe Weather Emergency Recovery Legislation Act 2023;

Drafting Instructions

- 13 **invited** the Minister for Land Information to issue drafting instructions to Parliamentary Counsel Office;
- 14 **agreed** that Land Information New Zealand may consult the Hastings District Council on the drafting of the Order in Council;
- 15 **agreed** that the Minister for Land Information may make any other decisions, including related to the modifications of section 5 of the Rating Valuations Act 1998 notification and consultation and issue any other drafting instructions necessary to implement the proposal for a modified rating valuation system for Hastings District Council;
- 16 **noted** that the Minister for Land information will seek approval from the Cabinet Legislation Committee to waive the 28-day rule in order to bring these emergency provisions into effect as quickly as possible to provide timely relief and certainty to those subject to them;

Consultation

- 17 **noted** that there will be a period of public consultation, including affected landowners, as part of the engagement on the draft Order in Council;
- 18 **noted** that the Severe Weather Events Recovery Review Panel will be consulted on the draft Order in Council;
- 19 **noted** that the Regulations Review Committee will be consulted on the draft Order in Council;
- 20 **noted** that changes may be made to the Order in Council as a result of any feedback that is received;

Communications

- 21 **noted** that the Minister for Land Information will, in consultation with the Minister for Cyclone Recovery, and if necessary the Hastings District Council, issue a press release at the appropriate time.

Rachel Hayward
Secretary of the Cabinet