

**4. CONFIRMATION OF THE SETTING OF ANNUAL RATES AND UNIFORM ANNUAL CHARGES 2018-2028 (310/07-001)**

Report from the Finance Manager through the Chief Executive dated 20 June 2018.

**RESOLVED**

**C180406(3)**

**THAT pursuant to section 23 of the Local Government (Rating) Act 2002, Council resolves to set the following rates for rating units in the city of Upper Hutt for the rating year commencing 1 July 2018 and finishing on 30 June 2019 (“the financial year”) as follows:**

**1. General rate**

- 1.1. A general rate, set pursuant to Section 13(2) (b) of the Local Government (Rating) Act 2002, on the capital value of rating units in the City, assessed on a differential basis as follows(including GST at the prevailing rate at the time of supply):**

<b>Differential</b>	<b>Rateable Capital Value</b>	<b>Factor</b>	<b>Cents In \$</b>
Standard	6,801,136,965	100	0.2788
High Value	See table A in 1.2 below		
Business	725,336,500	290	0.8086
Utilities and Three Waters Utilities	449,405,000	255	0.7110
Rural over 30 ha	103,681,000	73	0.2035
Total Remissions Group Properties	32,785,590		

**1.2. High Value Category of Rateable Units ( residential and rural )**

The High Value sub-group formula used to determine the relevant factor is as follows.

For high value properties the Council will set the following values each year for general rating purposes:

1. A trigger value (X)
2. A rural 33 minimum eligibility value (Y)
3. An excess percentage (Z)
4. The factor to be used for general rating purposes will be applied on a step basis. The range of each step will be determined annually by the Council.

The minimum value of the first high value step will be \$1,000 more than the standard trigger value.

The factor to be applied to high value properties for general rating purposes will be determined by a formula,  $T/Q \times 100$  where:

- 1  $T = Q-S$
- 2  $S = R \times Z$
- 3  $R = Q -X$
- 4  $Q =$  minimum value of each step into which the capital value of a high value property fits into.

For the 2018-2019 rating year the Council proposes to set the following values:

1. Trigger value = \$1,199,000 ( rating unit capital value \$1,200,000 less \$1,000)
2. Rural 33 minimum eligibility value = \$1,650,000
3. Excess percentage = 0.9
4. High value step range = \$25,000

Table A – this table illustrates the application of the High Value sub-group formula to the high value sub groups. It is only indicative.

High Value Sub-groups	Capital Value Range		Rateable Capital Value	Differential Factor	Cents In \$
	From	To			
136	1,200,000	1,224,999	4,820,000	99.93	0.2786
141	1,225,000	1,249,999	1,240,000	98.09	0.2735
146	1,250,000	1,299,999	3,790,000	96.33	0.2686
151	1,300,000	1,399,999	7,970,000	93.01	0.2593
156	1,400,000	1,449,999	1,400,000	87.08	0.2428
161	1,450,000	1,474,999	1,450,000	84.42	0.2354
166	1,475,000	1,499,999	4,500,000	83.16	0.2319
167	1,500,000	1,524,999	1,500,000	81.94	0.2285
171	1,525,000	1,549,999	0	80.76	0.2252
176	1,550,000	1,649,999	3,210,000	79.62	0.2220
181	1,650,000	1,699,999	0	75.4	0.2102
186	1,700,000	1,749,999	3,400,000	73.48	0.2049
191	1,750,000	1,849,999	3,580,000	71.66	0.1998
196	1,850,000		1,900,000	68.33	0.1905
236	1,200,000	1,224,999	6,020,000	99.93	0.2786
241	1,225,000	1,249,999	2,460,000	98.09	0.2735
246	1,250,000	1,299,999	7,560,000	96.33	0.2686
251	1,300,000	1,399,999	9,300,000	93.01	0.2593
256	1,400,000	1,474,999	2,830,000	87.08	0.2428
261	1,450,000	1,474,999	0	84.42	0.2354
266	1,475,000	1,524,999	4,485,000	83.16	0.2319
271	1,525,000	1,549,000	0	80.76	0.2252
276	1,550,000	1,649,999	0	79.62	0.2220
281	1,650,000	1,524,999	1,650,000	75.40	0.2102
286	1,700,000	1,749,999	1,710,000	73.48	0.2049
291	1,750,000	1,849,999	0	71.66	0.1998
296	1,850,000		0	68.33	0.1905

**Note:** The “100” series of High Value sub groups apply to qualifying properties in the Standard differential. The “200” series of High Value sub groups apply to qualifying properties in the Rural 31 and 32 differentials but only sub-groups 281 and higher apply to qualifying properties in the Rural 33 differential.

**1.3.** The revenue sought from this rate is \$28,071,500. The purposes to which this revenue will be applied are to meet the costs of land transport, parks and reserves, environmental services, community services and amenities, libraries, economic development, democratic participation, and management support of Council activities.

**2. Targeted rates**

**2.1 Water**

**2.1.1** A targeted rate for water supply, set under section 16 (3)(b) and (4)(a) of the Local Government (Rating) Act 2002, being a charge of either:

- a. \$275.20 (including GST at the prevailing rate at the time of supply) on each separately used or inhabited portion of a rating unit to which water is supplied ("a serviced property"); or
- b. \$137.60 (including GST at the prevailing rate at the time of supply) on every rating unit that can be, but is not supplied with water, and is situated within 100 meters of any part of the waterworks ("a serviceable property").

**2.1.2** The targeted rates in 2.1.1 apply to the ordinary supply of water as defined in the Upper Hutt City Council Water Supply Bylaw 2008 and the expressions, “serviced property” and “serviceable property” have the same meaning given in that Bylaw.

**2.1.3** The revenue sought from this rate is \$4,578,150 and is to contribute approximately 60 percent of the total requirement needed for the costs of water supply.

**2.2 Water Fire Protection Rate**

A targeted rate for water supply for fire protection purposes, set under section 16(3) (b) and (4)(b) of the Local Government (Rating) Act 2002, being a rate of:

- a. 0.02264 cents (including GST at the prevailing rate at the time of supply) per dollar of capital value on each separately used or inhabited portion of a rating unit which is connected to the water supply ("serviced property"); and
- b. 0.01132 cents (including GST at the prevailing rate at the time of supply) per dollar of capital value on every rating unit that can be, but is not supplied with water and is situated within 100 metres of any part of the waterworks (“serviceable property”).

**2.2.1** The revenue sought from this rate is \$1,515,700 (and is to contribute 20 percent of the total requirement needed for the costs of water supply).

**2.3 Stormwater Rate**

**2.3.1** A targeted rate for stormwater control, set under section 16(3)(b) and (4)(b) of the Local Government (Rating) Act 2002, on the capital value of every rating unit in that part of the city benefiting from the provision of stormwater drainage and flood protection services, assessed on a differential basis as follows (including GST at the prevailing rate at the time of supply):

Differential Group	Capital Value	Factor	Cents in \$
Business	658,262,200	140	0.06037
Other	6,061,499,500	100	0.04312

**2.3.2** The revenue sought from this rate is \$2,995,750 and is to contribute to the costs of stormwater drainage and flood protection of the city.

## **2.4 Wastewater**

**2.4.1** A targeted rate for wastewater disposal, set under section 16 (3)(b) and (4)(a) of the Local Government (Rating) Act 2002, as a charge for each water closet (pan) or urinal connected to a public sewage drain. The charge is to be \$477.30 (including GST at the prevailing rate at the time of supply) for the first pan or urinal and for every second pan or urinal thereafter.

**2.4.2** For the purposes of 2.4.1, a rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

**2.4.3** The number of whole charges payable by schools under the “Wastewater” targeted rate will be calculated using the methodology set out in the Council’s Funding Impact Statement.

**2.4.4** The revenue sought from this charge is \$8,589,350 and is to be applied towards the cost of the sewerage reticulation and disposal of bulk sewage schemes.

## **2.5 Rates on Defence Land**

**2.5.1** The rates described in 1.1, 2.2 and 2.3 take into account the requirement to ensure that Defence Department land is not paying a higher amount of rates than would be payable under a land value rating system. This is in accordance with section 22 of the Local Government (Rating) Act 2002.

**CARRIED**

## **3 Dates that rates are payable**

**3.1** All rates will be levied by five instalments.

**3.2** The last date for payment for each instalment (allowing for cyclical billing) and the penalty date from which an additional charge of 10 percent will be added in accordance with sections 57 and 58(1)(a) will be:

	<b>Due Date</b>	<b>Penalty Date</b>
<b>Instalment One</b>	<b>31 August 2018</b>	<b>3 September 2018*</b>
<b>Instalment Two</b>	<b>31 October 2018</b>	<b>1 November 2018*</b>
<b>Instalment Three</b>	<b>15 January 2019</b>	<b>16 January 2019*</b>
<b>Instalment Four</b>	<b>28 February 2019</b>	<b>1 March 2019*</b>
<b>Instalment Five</b>	<b>30 April 2019</b>	<b>1 May 2019*</b>

\*The

penalty date for an instalment will be the penalty date for the next instalment if the recorded due date for an instalment is less than 14 days from the actual delivery date of that instalment invoice.

## **4 Goods and Services Tax**

**4.1** All the foregoing rates, charges and revenue required are inclusive of Goods and Services Tax at the prevailing rate (as prescribed pursuant to the Goods and Services Tax Act 1985, as amended).

## **5 Penalties**

**5.1** Pursuant to section 57 of the Local Government (Rating) Act 2002, the Council resolves to authorise penalties to be added to rates that are not paid by the due date as follows:

- a. **A penalty of 10 percent of rates set for the 2018-2019 year which are unpaid after the last days for payment listed in 3.2 will be added to each instalment of rates levied in the financial year and which remain unpaid immediately following the last day of payment of the instalment concerned as detailed in paragraph 3.2 above (section 58(1)(a)).**
- b. **A further penalty of 10 percent of rates set for any previous financial year that is unpaid 5 working days after the date of this resolution. (Section 58(1)(b)).**
- c. **A further penalty of 10 percent on rates to which a penalty has been added under paragraph (b) if the rates are unpaid six [6] months after the penalty in paragraph (b) was added. (Section 58(1)(c)).**

## **6 Valuation roll and rates records**

- 6.1 The valuation roll and rates records for the city are available for inspection at the office of the Upper Hutt City Council during normal office hours.**

Moved His Worship the Mayor/Cr Gwilliam