

Rates Rebate (Retirement Village Residents) Amendment Bill

Member's Bill

Explanatory note

General policy statement

The rates rebate scheme was introduced in 1973 to allow ratepayers of residential properties who are on low incomes to receive a rebate on their rates. This was before the expansion of retirement villages and occupation right agreements (ORAs). Residents of retirement villages with ORAs pay rates but, in most circumstances, pay indirectly (i.e. to the retirement village owner) rather than directly to the local authority. Under the Rates Rebate Act 1973, these residents are not entitled to a rates rebate. It is this anomaly that this Bill addresses.

Some local authorities have changed their rating practice so that individual residents with ORAs are billed directly for their rates. In these instances, the residents are entitled to apply for a rates rebate. This amendment would ensure that, regardless of the billing practice of the local authority, residents are recognised as paying rates, and are therefore entitled to apply for a rates rebate.

Clause by clause analysis

Clause 1 is the Title clause

Clause 2 provides that the Bill comes into force on the day after the date on which it receives the Royal assent.

Clause 3 provides that the Bill amends the Rates Rebate Act 1973 (the **principal Act**).

Clause 4 amends section 5 of the principal Act, by replacing the definition of ratepayer with one that recognises as ratepayers not only those persons defined as ratepayers under the Local Government (Rating) Act 2002, but also those residents of retirement villages who pay rates, directly or indirectly, in connection with their occupation right agreements. *Clause 4* further amends section 5 of the principal Act by providing defi-

nitions of terms, related to retirement villages, that are used in the replacement definition of ratepayer.

Hon Ruth Dyson

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Rates Rebate (Retirement Village Residents) Amendment Act **2016**.

2 Commencement

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This Act comes into force on the day after the date on which it receives the Royal assent.

3 Principal Act

This Act amends the Rates Rebate Act 1973 (the **principal Act**).

4 Section 2 amended (Interpretation)

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(1) In section 2(1), replace the definition of **ratepayer** with:

ratepayer means a person who is 1 or both of the following:

- (a) a ratepayer within the meaning given to that term in section 11 of the Local Government (Rating) Act 2002:

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(b) a resident of a retirement village who pays rates, directly or indirectly, in connection with an occupation right agreement with the operator of the retirement village

(2) In section 2(1), insert in their appropriate alphabetical order:

occupation right agreement has the same meaning as in section 5 of the Retirement Villages Act 2003 5

operator has the same meaning as in section 5 of the Retirement Villages Act 2003

resident has the same meaning as in section 5 of the Retirement Villages Act 2003 10

retirement village has the meaning specified in section 6 of the Retirement Villages Act 2003