

Council Report

Committee: Council

Date: 30 June 2022

Report Name: Rates Resolution to Set and Assess Rates for 2022/23

Report Status	<i>Resolved</i>
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Purpose - Take

1. To seek approval from the Council to set and assess the rates for the 2022/23 financial year.

Staff Recommendation - Tuutohu-aa-kaimahi

2. That the Council:
 - a) receives the report; and
 - b) approves to set and assesses the rates for the 2022/23 financial year (1 July 2022 to 30 June 2023) in accordance with the **Rates Resolution for the 2022/23 Financial Year** (as required by the Local Government (Rating) Act 2002) as set out in paragraphs 7 - 61 below; and
 - c) approves the due dates for payments and authorises penalties to be added to unpaid rates, as set out in paragraphs 57 - 61 below.

Executive Summary - Whakaraapopotanga matua

3. All figures in this resolution are GST inclusive.
4. Council has adopted the 2022-23 Annual Plan. Council must set and assess the rates as described in its Funding Impact Statement in the 2022-23 Annual Plan.
5. The Council has historically collected its rates in four instalments. Cash flow from the intervals of the four instalments meets the timing of expenditure needs for Council.
6. Staff consider the matters in this report to have a low level of significance and that the recommendations comply with the Council's legal requirements.

GENERAL RATE

7. A general rate is set and assessed on the capital value of all rateable land in Hamilton.
8. General rates are set on a differential basis. The rating categories are defined in the Funding Impact Statement.
9. The differential bases are:

- the use to which the land is put; and
 - the provision or availability to the land of a service provided; and
 - the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the operative district plan; and
 - the location of the land
10. This rate covers all of the services of Council.
11. The total revenue sought through the general rate is \$219,382,771.
12. The general rate is set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GENERAL RATES	RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
General Rate	Commercial	2.9765	34.37%	0.00711732	\$75,394,409
	BID Commercial	2.8277	6.99%	0.00676145	\$15,336,882
	Other	0.7400	2.06%	0.00176948	\$4,511,199
	Residential	1.0000	56.58%	0.00239119	\$124,140,281

13. Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate (General rate, UAGC and Government compliance rate) that applies to the land. This general rate revenue is included within the Residential category shown in the table above and within the targeted rates revenue where applicable.

UNIFORM ANNUAL GENERAL CHARGE

14. A Uniform Annual General Charge (UAGC) of \$613 per Separately Used or Inhabited Part of a Rating Unit (SUIP) is set and assessed on all rateable land in Hamilton.
15. We have determined the level of UAGC in order to distribute the allocation of the general rate at an appropriate level among all ratepayers.
16. The total revenue sought from the UAGC is \$43,455,570.

TARGETED RATES

17. Government compliance rate
18. This rate is set and assessed on the capital value of all rateable land in the city.
19. This rate is set on a differential basis on the categories of land identified below. The differential bases are the use to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and in the case of the BID Commercial differential, the location of the land.
20. This rate provides funding to the Wastewater Treatment and Disposal, Wastewater Collection, Water Treatment and Storage, Water Distribution, Stormwater Network, and City Planning activities.

21. The total revenue sought is \$11,885,836.
22. This rate is set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GOVERNMENT COMPLIANCE RATES	RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
Government compliance rate	Commercial	2.9765	34.37%	0.00038561	\$4,084,801
	BID Commercial	2.8277	6.99%	0.00036633	\$830,940
	Other	0.7400	2.06%	0.00009587	\$244,416
	Residential	1.0000	56.58%	0.00012955	\$6,725,679

23. Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate that applies to the land. This Government compliance rate revenue for these rating units is included within the Residential category shown in the table above.
24. Metered water rate
25. The rate is set and assessed for metered and restricted flow water supply on a differential basis to all metered rating units (as defined by Hamilton City Council's Water Supply Bylaw 2013).
26. The rate is:
- i. a fixed amount based on the nature of the connection as follows:
 - \$456 for all metered rating units (except those receiving a restricted flow supply);
 - \$456 for those rating units receiving a restricted flow supply.
 - ii. a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
 - All metered rating units (except those receiving a restricted supply) - \$1.85 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter;
 - those rating units receiving a restricted flow supply - \$1.65 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter.
27. The rates contribute to the funding of the Water Distribution and Water Treatment and Storage activities.
28. The total revenue sought is \$9,925,310.
29. Commercial and Other category non-metered water rate
30. The rate is set and assessed on non-metered Commercial and Other category properties which are connected to the water network, but not provided with a metered connection. The rate is \$456 per rating unit.
31. The rates contribute to the funding of the Water Distribution and Water Treatment and Storage activities.
32. The total revenue sought is \$273,144.

33. Business Improvement District (BID) rates

34. This rate is set and assessed on all rating units defined within the BID Commercial general rate category and comprises both a fixed amount per SUIP and a rate in the dollar based on the capital value.
35. The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy. The components of this rate are:
- i. BID fixed rate: a fixed amount of \$240 per SUIP of a commercial rating unit within the defined area; and
 - ii. BID capital value rate: a rate per dollar of capital value required to meet the total revenue, after allowing for the total revenue raised by the BID fixed rate. The rate is \$0.00002482 per dollar of capital value.
36. The rate provides funding to the City Planning activity.
37. The total revenue sought is \$366,867.

38. Central city rate

39. The rate is set on all rating units defined within the BID Commercial general rate category and is set as a fixed amount per SUIP.
40. The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy.
41. The rate is a fixed amount of \$128 per SUIP.
42. The rate provides funding to the Transportation Network activity.
43. The total revenue sought is \$166,750.

44. Service use water rate

45. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are connected to our water network but are not provided with a metered connection.
46. The rate is a fixed amount of \$456 per SUIP.
47. The rate provides funding towards the Water Distribution and Water Treatment and Storage activities.
48. The total revenue sought is \$62,472.

Service use refuse rate

49. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are provided with refuse collection service.
50. The rate is a fixed amount of \$187 per SUIP.
51. The rate provides funding towards the Refuse Collection activity.
52. The total revenue sought is \$29,546.

53. Service use wastewater rate

54. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are connected to the wastewater network. This rate comprises two components. These are:
- i. a rate per dollar of land value set at \$0.00067276; and
 - ii. a rate per dollar of capital value set at \$0.00028288.
55. The rate provides funding towards the Wastewater Collection and Wastewater Treatment and Disposal activities.
56. The total revenue sought is \$1,684,704.

DUE DATES FOR PAYMENT OF RATES

57. Rates (other than for metered water) are payable in four equal instalments.
58. The due dates for rates for the period 1 July 2022 to 30 June 2023 are as follows:

Instalment 1	Instalment 2	Instalment 3	Instalment 4
1 September 2022	24 November 2022	23 February 2023	25 May 2023

59. DUE DATES FOR PAYMENT OF METERED WATER RATES

60. The due dates for metered water rates for the period 1 July 2022 to 30 June 2023 are as follows:

Month of Invoice	Invoice Due Date
July 2022	20 August 2022
August 2022	20 September 2022
September 2022	20 October 2022
October 2022	20 November 2022
November 2022	20 December 2022
December 2022	20 January 2023

Month of Invoice	Invoice Due Date
January 2023	20 February 2023
February 2023	20 March 2023
March 2023	20 April 2023
April 2023	20 May 2023
May 2023	20 June 2023
June 2023	20 July 2023

PENALTIES

61. Pursuant to Section 57 and 58 of the Local Government (Rating) Act 2002, the Council authorises the following penalties:
- a) A penalty of 10% of the amount due and unpaid on the due date to be added on the day after the due date.

The dates on which penalties will be added are 2 September 2022, 25 November 2022, 24 February 2023 and 26 May 2023.
 - b) A penalty of 10% of the amount of any rates assessed in any previous year which remain unpaid on 7 July 2022 to be added on 8 July 2022.
 - c) A penalty of 10% of the amount of any rates assessed in any previous year for which a penalty has been added under paragraph (b) and which remain unpaid on 8 January 2023 to be added on 9 January 2023.

- d) A penalty of 10% of the amount unpaid for water-by-meter rates charged to be added on the day after the due date.
- e) These dates are 21 August 2022, 21 September 2022, 21 October 2022, 21 November 2022, 21 December 2022, 21 January 2023, 21 February 2023, 21 March 2023, 21 April 2023, 21 May 2023 and 21 June 2023.

END OF 2022/23 RATES RESOLUTION

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

- 62. Rates must be set by a resolution of the Council as specified in Sections 23 and 24 of the Local Government (Rating) Act 2002.
- 63. The rates information and resolution has been through legal review and signoff has been obtained.

Risks - *Tuuraru*

- 64. If the information in this resolution is not accurate, the rates could be invalid. The wording and calculations have been prepared and checked by multiple staff to ensure the figures are accurate. The rating model has been used for a number of years, and the output from the rates resolution has been run through the Council's rating system to ensure that the revenue generated is correct. Should Council not adopt the Annual Plan these resolutions cannot be made.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

- 65. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

Engagement

- 66. Community views and preferences are already known to the Council through the feedback received on the 2021-31 Long-Term Plan and the 2022-23 Annual Plan Consultation Document.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report. .