

Land Transfer (Foreign Ownership of Land Register) Amendment Bill

Member's Bill

Explanatory note

General policy statement

There is currently no easy or accurate way to measure the amount of land under the control of foreign nationals. This is due to the fact that, unlike in other jurisdictions, there is no official database of foreign ownership in New Zealand. As it currently stands, estimates as to the extent of foreign land ownership vary from 1% to over 3%.

While the Overseas Investment Office collects data about applications and their subsequent grant or rejection, these details that the office collects do not fully capture the extent of foreign ownership in New Zealand.

This Bill will ensure that a comprehensive register of all foreign-owned New Zealand land is compiled and made available to the general public. The register will record names and nationalities, the amount and value of land involved, and the regions in which the land is situated. Purchasers will be obligated, upon registering land dealings, to provide the information for the register.

The register will apply to all dealings in "land" as that term is defined in section 2 of the Land Transfer Act 1952. The definition of the term "land" includes "messuages, tenements and hereditaments, corporeal and incorporeal, of every kind and description". This means that the register will extend to dealings involving a dwelling-house (a messuage), physical things on land such as buildings, minerals, and trees (corporeal hereditaments), and interests in land such as easements, profits a prendre, and rent charges (incorporeal hereditaments).

The register is intended to be a resource for policy-makers and the general public, who will be able to gauge foreign landholdings across New Zealand as well as within their own local communities. The register will provide transparency for concerned New Zealanders.

Clause by clause analysis

Clause 1 contains the Bill's title.

Clause 2 states the commencement date.

Clause 3 provides that the Land Transfer Act 1952 (**LTA**) is the Act being amended.

Clause 4 inserts *new section 47A*. The new section requires the Registrar-General of Land to keep a foreign ownership of land register recording information provided by overseas persons presenting instruments for registration under the LTA.

Mahesh Bindra

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Contents

	Page
1 Title	1
2 Commencement	1
3 Principal Act	1
4 New section 47A inserted (Registrar to keep foreign ownership of land register)	1
47A Registrar to keep foreign ownership of land register	2

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Land Transfer (Foreign Ownership of Land Register) Amendment Act **2016**.
- 2 Commencement** 5
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 Land Transfer Act 1952 (the **principal Act**).
- 4 New section 47A inserted (Registrar to keep foreign ownership of land register)** 10
After section 47, insert:

47A Registrar to keep foreign ownership of land register

- (1) In this section,—
overseas person means an overseas person as defined in section 7 of the Overseas Investment Act 2005
register means a foreign ownership of land register. 5
- (2) The Registrar must keep an electronic register that records, for each registered proprietor who is an overseas person,—
(a) the person’s name and nationality; and
(b) the amount and value of the land involved; and
(c) the district or districts in which the land is situated. 10
- (3) An overseas person presenting an instrument for registration under section 47 must provide the information that **subsection (2)** requires to be in the register by stating the information in—
(a) the instrument; or
(b) a written or electronic document accompanying the instrument. 15
- (4) A person who knowingly fails to comply with **subsection (3)** commits an offence and is liable on conviction to a fine not exceeding 25% of the value of the land involved.
- (5) Any person may have read-only access to the register without payment of a fee.
- (6) Land Information New Zealand must state in each annual report under section 43 of the Public Finance Act 1989— 20
(a) the number of registered proprietors in the register at the end of the financial year; and
(b) the total amount and value of land involved.