

Hon. Mr. Ward.

RATING ON UNIMPROVED VALUE.

ANALYSIS.

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A BILL INTITULED

AN ACT to authorise Rating on the Unimproved Value of Land. Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. The Short Title of this Act is "The Rating on Unimproved Value Act, 1895." Subject to the special provisions hereof, this Act shall be read and construed together with "The Rating Act, 1894." Short Title.

2. In this Act, if not inconsistent with the context,— Interpretation.

10 "Chairman" means the Chairman of any County Council, Town or Road Board, or other authority having power to levy rates, and includes the Mayor of a borough:

"District" means any city or borough, town district or county, or any town district or road district within any county wherein "The Counties Act, 1886," is suspended, or the County Council does not levy a general rate:

15 "Gross value" means the actual capital value of land with all improvements thereon, as assessed by the local authority of the district, the unimproved value of which is rateable under this Act:

20 "Rateable value" means the unimproved value of land, as herein defined:

"Unimproved value" means the gross value of land, as herein defined, less the value of all improvements thereon:

25 "Improvements" includes houses and buildings, fencing, planting, draining, clearing from timber, scrub, or fern, laying down in grass or pasture, and any other improvements whatsoever on land, in so far as the benefit thereof is unexhausted at the time of valuation; but does not include reclaiming of land from water.

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Construction of  
"The Rating Act,  
1894," for purposes  
of this Act.

3. For the purposes of this Act, section two of "The Rating Act, 1894," shall be read subject to the amendments following, that is to say:—

- (1.) The definition of the words "rateable property" shall be construed as if the words "without the buildings and improvements thereon" had been enacted therein, in lieu of the words "with the buildings and improvements thereon," where the latter occur in the said section; and
- (2.) The definition of "rateable value" shall be deemed to be repealed.

Ratepayers may by  
vote adopt this Act.

4. (1.) The following proportion of the ratepayers on the roll, that is to say,—

- (a.) Twenty per centum of the ratepayers on the roll where the total number on the roll does not exceed one hundred,
- (b.) Fifteen per centum where such total number does not exceed three hundred,
- (c.) Ten per centum where such total number exceeds three hundred,—

may, by writing under their hands delivered to the Chairman of the district, demand that a proposal to rate property upon the basis of the unimproved value be submitted to the ratepayers' vote:

(2.) Thereupon the votes of the ratepayers shall be taken upon such proposal on a day to be fixed by the Chairman, being not less than twenty-one nor more than twenty-eight clear days after the delivery of such demand, and such day shall be forthwith notified in a newspaper published or circulating in the district.

(3.) On such day a poll shall be taken in the same manner as is prescribed by law in the case of a proposal to raise a special loan in the district.

Acts incorporated  
for poll.

5. Such of the provisions of any such law as are necessary for the poll under this Act are hereby incorporated, *mutatis mutandis*, with this Act.

Form of voting-  
papers.

6. The voting-papers for the purposes of this Act shall be printed in the following form:—

"PROPOSAL that property shall henceforth be rated upon the basis of the unimproved value thereof.

1. I vote *for* the above proposal.

2. I vote *against* the above proposal."

And no such proposal shall be deemed to be carried unless affirmed by a like majority as is required by law in order to carry a proposal to raise a special loan.

Vote not to be again  
submitted to rate-  
payers before three  
years.

7. If any proposal under this Act is either affirmed or negatived in a district, no similar proposal shall be submitted to the vote of the ratepayers in the district for a period of three years from the date when the first-mentioned proposal was submitted and voted on.

May then determine  
operation of Act to  
cease.

8. (1.) On the expiration of such period the local authority of the district may, under the conditions and in the manner prescribed, *mutatis mutandis*, by section *four* hereof, determine that the operation of this Act within the district shall cease.

(2.) Such last-mentioned determination may again in like manner be reversed.

9. (1.) If the proposal referred to in section *four* hereof is carried, then the local authority of the district shall, by special order, adopt this Act, and shall forward a copy of such special order to the Commissioner of Taxes, who shall gazette it.

Local authority to adopt Act by special order.

15 (2.) On and from the thirtieth day of November next after the gazetting of such special order, this Act shall be in force in the district.

Act then in force from 30th November.

10 10. (1.) If the determination referred to in subsection *one* of section *eight* is carried, the local authority shall, by special order, exclude this Act, and shall forward a copy of such special order to the Commissioner of Taxes, who shall gazette it:

Local authority to exclude Act by special order.

15 (2.) On and from the first day of April next after the gazetting of such special order, the operation of the Act within the district shall cease and "The Rating Act, 1894," shall in its entirety come into force therein.

20 11. As soon as conveniently may be after this Act is in force in any district, a valuation-roll of the rateable property in the district shall be prepared by the local authority in manner provided by "The Rating Act, 1894," in respect of local authorities rating on the capital value:

Valuation-roll of district.

25 Provided that, instead of setting forth the capital value, the roll and all notices of assessment shall set forth the gross value, the value of improvements, and the unimproved value of all rateable property in the district; and the rates shall be made and levied on the unimproved value, in accordance with "The Rating Act, 1894," as amended by this Act.

Rates to be levied on unimproved value of land.

30 12. Any person authorised by "The Rating Act, 1894," to object to the assessment of the capital value, may object in a like manner, *mutatis mutandis*, to the assessment of the gross value, or the value of improvements, or the unimproved value, or all or any of them; and such objection shall be heard, *mutatis mutandis*, in the manner provided by "The Rating Act, 1894," for hearing objections to assessments under that Act:

Objections to assessments under this Act.

35 Provided that, if on objection as aforesaid any assessment is reduced, the gross value of the reduced assessment shall be adjusted to equal the value of improvements *plus* the unimproved value.

40 13. In every district in which this Act is in force, all rates authorised to be made and levied by any local authority other than the local authority of such district shall be made and levied under this Act.

All rates of other local bodies in same district to be levied in same manner.

45 14. In all cases where by any Act a limit of rating-power is imposed upon any local authority, and in all cases of special and annually-recurring rates, or of any rates the amount of which is fixed for any definite period of time, the following provisions shall apply:—

Adjustment of rating-power under Acts 1876 and 1882 to this Act.

50 (1.) When such rating-power or rate has reference to the annual value, a rating-power or rate of one shilling in the pound on the unimproved value shall henceforth be exercised or imposed respectively by local authorities rating under this Act, as if it were a rating-power or rate of three-farthings in the pound on the gross value, and so on a greater or smaller sum in the like proportion for a greater or smaller rating-power or rate than one shilling in the pound on the annual value:

- (2.) When such rating-power or rate has reference to the capital value, such rating - power or rate shall henceforth be exercised or imposed respectively by local authorities rating under this Act as if it were a rating-power or rate on the gross value :

Proviso where rate is security for a loan.

Provided always that in the case of any fixed rate which forms the whole or any portion of the security of any loan, the following provisions shall apply :—

- (a.) If the Controller and Auditor-General is at any time satisfied that the above-mentioned change in the mode of levying rates will have the effect of diminishing the security for such loan, he may, by order published in the *Gazette*, fix such a rate in accordance with this Act (but irrespective of the aforesaid limit of rating-power) as will, as nearly as may be, produce the same amount as the rate levied before the above-mentioned change was made :
- (b.) The rate fixed by such order shall for all purposes whatsoever be the rate which shall be levied in lieu of the rate which would otherwise be leviable as hereinbefore prescribed.

Rates imposed on gross value to be levied on unimproved value.

Recovery of rates.

15. Every rate imposed in any district on the gross value shall be levied on the unimproved value by a rate equivalent in its producing-capacity to the rate imposed on the gross value.

16. All rates levied under this Act shall be recoverable under "The Rating Act, 1894," and shall for the purpose of such recovery be deemed to be charged on the gross value and not on the unimproved value only :

Provided that where the land and the improvements are owned by different persons, the owner of the improvements shall have a right to be indemnified by the owner of the land against all liability for such rates.

Provision for valuation-roll in event of severance of any portion of a district.

17. In the event of a part of any district being severed from such district, whether for the purpose of forming another local-governing area or of joining one that already exists, it shall be the duty of the local authority of such district to deliver a copy of the valuation-roll of such severed part to the local authority of such new or already existing local-governing area, as the case may be.

References to capital value in "The Rating Act, 1894."

18. Wherever in "The Rating Act, 1894," reference is made to the capital value, such reference shall, in respect of all districts wherein this Act is in force, be construed as referring to the gross value under this Act, saving as to the power of levying rates.

Rates to which Act not to apply.

19. This Act shall not apply—
- (1.) To water rates, gas rates, electric-light rates, sewage rates ; nor
- (2.) To rates under "The River Boards Act, 1884," for the construction or maintenance of works for the protection of buildings and improvements.