House of Representatives

Supplementary Order Paper

Tuesday, 4 October 2011

Road User Charges Bill

Proposed amendments

Hon Steven Joyce, in Committee, to move the following amendments:

Clause 4(3)

To omit this subclause (lines 4 to 7 on page 7) and substitute the following subclause:

- (3) Part 2 contains key provisions relating to—
 - (a) the requirement to pay road user charges; and
 - (b) the issue and display of a road user charges licence; and
 - (c) the payment and refund of road user charges; and
 - (d) exemptions from the requirement to pay road user charges; and
 - (e) other matters.

Clause 5(1)

Definition of **additional licence**: to omit "a" (line 17 on page 7) and substitute "an additional".

Definition of **administration fee**: to omit "an administration fee prescribed by regulations made under **section 81**" (lines 18 and 19 on page 7) and substitute "a fee prescribed by regulations made under **section 80AB**".

Definition of **exempt vehicle**: to omit this definition (lines 11 to 18 on page 9) and substitute the following definitions:

evidence, in relation to the registration of a RUC vehicle under an alternative payment scheme, means evidence as prescribed by regulations made under **section 81**

exempt vehicle means the following vehicles or classes of vehicle in respect of which road user charges are not payable:

(a) a trailer with a gross vehicle mass of 3 500 kilograms or less:

- (b) any of the following for the period of the applicable exemption in respect of the vehicle or class of vehicle:
 - (i) light electric RUC vehicles exempted by an Order in Council made under **section 37A**:
 - (ii) any 1 or more classes of RUC vehicles specified by an Order in Council made under **section 37B**:
 - (iii) a particular RUC vehicle exempted by the RUC collector by notice in the *Gazette* under **section 37C**:
 - (iv) a light RUC vehicle exempted by the RUC collector under **section 37D**

To insert the following definition after the definition of **fail** (after line 25 on page 9):

former Act means the Road User Charges Act 1977

Definition of **former Act**: to omit this definition (line 30 on page 9).

Paragraph (g) of the definition of **records**: to omit this paragraph (line 32 on page 11).

Definition of **Registrar of Motor Vehicles**: to omit "Part 17" (line 35 on page 11) and substitute "section 233(1)".

Definition of **registration plate**: to omit "Part 17" (line 7 on page 12) and substitute "section 233(1)".

Paragraph (b) of the definition of **RUC collector**: to omit this paragraph (lines 19 to 21 on page 12) and substitute the following paragraph:

(b) the Agency, if appointed by an Order in Council made under **section 80A** to be the RUC collector for the purposes of this Act

Paragraph (b)(i) of the definition of **RUC licence** or **licence**: to omit "the form" (line 5 on page 13) and substitute "a form".

Paragraph (b) of the definition of **RUC vehicle**: to add "for the period of the applicable exemption in respect of the vehicle" (line 21 on page 13).

To insert the following definition after the definition of **RUC weight** (after line 30 on page 13):

sale has the same meaning as in section 233(1) of the Land Transport Act 1998

Definition of **timekeeping records**: to omit this definition (line 33 on page 13 to line 7 on page 14).

Clause 8(1)

To omit "subsection (2)" (line 12 on page 15) and substitute "subsection (2), (2A),".

Clause 9

Subclause (3): to omit this subclause (lines 3 to 8 on page 17) and substitute the following subclause:

(3) However, **subsection (1)** does not apply if there is evidence that the RUC vehicle is registered under an appropriate alternative payment scheme.

Subclause (4)(a): to omit this paragraph (lines 11 to 13 on page 17) and substitute the following paragraph:

- (a) operates a RUC vehicle on a road where the vehicle does not have—
 - (i) a distance licence that complies with **subsection (2)**; or
 - (ii) evidence of registration under an appropriate alternative payment scheme; or

Subclause (5): to omit "summary" (line 18 on page 17).

Clause 12

Subclause (1)(b): to omit "(a **towing vehicle**) towing 1 or more trailers" (lines 9 and 10 on page 19) and substitute "towing 1 or more trailers (a **towing vehicle**)". Subclause (3): To omit "(as prescribed by regulations made under **section 81**)" (line 18 on page 19).

Clause 15(2)

To omit this subclause (lines 3 to 6 on page 22).

Clause 16

Subclause (1)(b): to add "for the licence" (line 25 on page 22).

Subclause (2): to omit this subclause (lines 26 to 29 on page 22) and substitute the following subclause:

- (2) However, subsection (1) does not apply if—
 - (a) there is evidence that the RUC vehicle to which the application relates is registered under an appropriate alternative payment scheme; or
 - (b) the licence has been issued, in accordance with regulations made under **section 81**, despite the road user charges (or part of the road user charges) payable for the licence not having been paid.

Clause 22

Heading to *clause 22*: to omit "purchaser on sale of RUC vehicle" (lines 14 and 15 on page 24) and substitute "person who acquires RUC vehicle".

Subclause (1): to omit "purchaser of the RUC vehicle, the seller must provide to the purchaser" (lines 18 and 19 on page 24) and substitute "person who acquires the RUC vehicle, the seller must provide to the acquirer".

Clause 29(c)

To add "(except GST payable in respect of those charges)" (line 15 on page 27).

Clause 30

To omit this clause (lines 17 to 26 on page 27).

Clause 35(2)

To omit "for the purpose of copying them that are produced under **subsection** (1)" (lines 28 and 29 on page 30) and substitute "produced under **subsection** (1) for the purpose of copying them".

Part 2: new subpart 4A

To insert the following subpart before the heading to *subpart 5 of Part 2* (after line 17 on page 32):

Subpart 4A—Exemptions from requirement to pay road user charges

Exemptions by Order in Council

37A Exemption of light electric RUC vehicles by Order in Council

- (1) The Governor-General may, by Order in Council, specify the period during which road user charges are not payable in respect of light electric RUC vehicles.
- (2) An order made under **subsection (1)**
 - (a) must specify the date on which the exemption expires; and
 - (b) may, from time to time, be amended to provide for a later date.

Compare: 1977 No 124 s 24(1)(ga), (1A)

37B Exemption of RUC vehicles unsuitable for regular road use by Order in Council

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister, specify any 1 or more classes of RUC vehicles in respect of which road user charges are not payable.
- (2) The Minister must not recommend the making of an order under **subsection (1)** unless the Minister is satisfied that—
 - (a) the exemption is necessary because the purpose or design of the class of RUC vehicle means that the class of vehicle is unsuitable for regular road use; and
 - (b) requiring road user charges to be paid in respect of the class of RUC vehicle would impose compliance costs

that are disproportionate to the likely amount of road use by the class of vehicle.

Compare: 1977 No 124 s 24(1)(ga)

Exemptions granted by RUC collector

37C RUC collector may exempt particular RUC vehicle unsuitable for regular road use

- (1) The RUC collector may, by notice in the *Gazette*, grant an exemption from the requirement to pay road user charges in respect of any particular RUC vehicle specified in the notice.
- (2) The RUC collector must not grant an exemption under **subsection (1)** unless the RUC collector is satisfied that—
 - (a) the exemption is necessary because the purpose or design of the particular RUC vehicle means that it is unsuitable for regular road use; and
 - (b) requiring road user charges to be paid in respect of the particular RUC vehicle would impose compliance costs that are disproportionate to the likely amount of road use by the RUC vehicle.
- (3) An exemption granted under subsection (1)—
 - (a) expires on the date that is 5 years after the date on which the notice granting it was made; and
 - (b) must state—
 - (i) the registration number of the particular RUC vehicle (or any other alternative unique identifier for the vehicle) and the make and model (if known) of the vehicle; and
 - (ii) the reason for the exemption (including why the exemption is appropriate).

37D Exemption relating to light RUC vehicle operated almost exclusively off-road

- (1) An owner or operator of a light RUC vehicle may apply to the RUC collector for an exemption from the requirement to pay road user charges in respect of the light RUC vehicle to which the application relates.
- (2) An application under subsection (1) must—
 - (a) be made in the manner specified by the RUC collector; and
 - (b) contain the information prescribed by regulations made under **section 81**; and
 - (c) be accompanied by the prescribed fee (if any).
- (3) The RUC collector may grant an exemption in respect of an application made under **subsection (1)** if the RUC collector

is satisfied that the light RUC vehicle to which the application relates—

- (a) belongs to a class of light RUC vehicles prescribed by regulations made under **section 81** for which an exemption may be granted; and
- (b) will be operated almost exclusively off-road; and
- (c) satisfies any other criteria prescribed by regulations made under **section 81** in order to qualify for the exemption.
- (4) An exemption granted under **subsection (3)** may be subject to any terms and conditions prescribed by regulations made under **section 81**.
- (5) A person commits an offence in respect of an application for an exemption under **subsection (1)** if the person provides information that the person knows, or ought to have known, is incorrect in a material particular.
- (6) A person who commits an offence against **subsection (4)** is liable on conviction,—
 - (a) in the case of an individual, to a fine not exceeding \$15.000:
 - (b) in the case of a body corporate, to a fine not exceeding \$75,000.

37E Monitoring of exemption granted under section 37D

If an exemption is granted in respect of a light RUC vehicle under **section 37D**, the RUC collector may monitor the ongoing operation of the vehicle in accordance with any prescribed terms and conditions of the exemption to determine whether the vehicle is being operated—

- (a) almost exclusively off-road; and
- (b) in accordance with the terms and conditions of the exemption.

37F Revocation and expiry of exemption granted under section 37D

- The RUC collector may, by notice in writing to the holder of the exemption, revoke an exemption granted under section
 37D if the RUC collector is satisfied that—
 - (a) the holder of the exemption has supplied information that is incorrect in a material particular in respect of the application for the exemption; or
 - (b) the light RUC vehicle to which the exemption relates has not been, or is not being, operated in accordance with any terms and conditions of the relevant exemption.

- (2) If the holder of an exemption granted under **section 37D** sells the vehicle to which the exemption relates, the exemption in respect of the vehicle expires on the date on which the Registrar of Motor Vehicles first receives notification of the particulars of the sale in accordance with section 247 of the Land Transport Act 1998 from either—
 - (a) the seller of the vehicle; or
 - (b) the person who acquires the vehicle.
- (3) If an exemption is revoked under **subsection (1)**, the RUC collector—
 - (a) must notify the owner or operator of the light RUC vehicle of the date on which the revocation takes effect; and
 - (b) may issue an assessment under **section 48(1)** to the owner or operator of the light RUC vehicle for any unpaid road user charges for any distance travelled by the vehicle that exceeds the distance permitted under any terms and conditions of the exemption.
- (4) To avoid doubt, the RUC collector may not issue an assessment under **section 48(1)** until after the date on which the revocation takes effect.

Clause 39

Subclause (2)(b): to omit "electronic system provider's approval under **section 38**" (lines 22 and 23 on page 33) and substitute "terms and conditions of the electronic system provider's approval under **section 38(3)(b)**".

Subclause (5)(a)(ii): to insert before "conditions" (lines 12 and 13 on page 34)" terms and".

Clause 44(2)(b)

To omit "Part 17" (line 20 on page 36) and substitute "section 242".

Clause 45(4)

To omit "500" (line 32 on page 37) and substitute "1 000".

Clause 48

Subclause (1): to add "(including GST payable in respect of those charges)" (line 18 on page 39).

Subclause (2)(c): To omit "section **58(1)**" (line 31 on page 39) and substitute "section **58**".

Subclause (4)(b): to omit this paragraph (lines 18 to 20 on page 40) and substitute the following paragraph:

(b) apply to the RUC collector, within 20 working days of the date specified on the assessment, for a review of the assessment under **section 50**.

Clause 50

Subclause (4): to omit "frame" (line 19 on page 42).

Subclause (5)(a): to omit "give notice of that confirmation, reduction, or cancellation to the person who applied for the review within 10 working days of the decision" (lines 35 to 38 on page 42) and substitute "give, within 10 working days of the decision, notice of that confirmation, reduction, or cancellation to the person who applied for the review".

Clause 53

To omit this clause (line 30 on page 44 to line 8 on page 45) and substitute the following clause:

Penalty for failure to pay after issue of amended assessment or new assessment

- (1) This section applies to a person who—
 - (a) has been issued with—
 - (i) an amended assessment for unpaid road user charges as provided in **section 49(2)(b)**; or
 - (ii) a new assessment for unpaid road user charges following a review as provided in **section 50(5)(b)**; and
 - (b) fails to pay the amount of unpaid road user charges specified in the amended assessment or new assessment (as the case may be).
- (2) The person must pay an additional amount (a **penalty**) as follows:
 - (a) for an amount that remains unpaid after 2 months of the date specified on the amended assessment or new assessment, 10% of the unpaid amount; and
 - (b) for an amount that remains unpaid after 3 months of the date specified on the amended assessment or new assessment, 10% of the unpaid amount and the penalty imposed under **paragraph** (a).
- (3) However, subsection (2) does not apply if—
 - (a) the person has applied for a review of the assessment under **section 50**; or
 - (b) the person has entered into an instalment arrangement under **section 55** and the RUC collector is satisfied that the person is meeting the person's obligations under the arrangement.

Clause 54(2)

To omit this subclause (lines 13 to 19 on page 45) and substitute the following subclause:

- (2) The RUC collector may, if the RUC collector thinks it is appropriate in the circumstances of the case,—
 - (a) cancel the whole, or any part, of the penalty:

(b) refund to the person who has paid the penalty, the whole or any part of the penalty that has been paid.

Clause 58

To omit this clause (lines 25 to 34 on page 47) and substitute the following clause:

58 Vehicle inspector to provide report to RUC collector

Following a vehicle inspection of a RUC vehicle, the vehicle inspector must report the reading on the vehicle's distance recorder to the RUC collector.

Clause 59(2)(b)

Subparagraph (v): to omit "invoice:" (line 31 on page 48) and substitute "invoice; and".

Subparagraph (vi): to omit this subparagraph (lines 32 and 33 on page 48).

Clause 61(2)

To omit "request" (line 28 on page 50) and substitute "require".

Clause 67A(1)

To omit "section 50(5)(b)" (line 21 on page 54) and substitute "section 50(5)(a)".

Clause 71(4)

To omit "reason that the distance recorder stopped properly working is due to" (lines 1 and 2 on page 58) and substitute "distance recorder stopped properly working because of".

Clause 72(1)

To omit this subclause (lines 7 to 12 on page 58) and substitute the following subclause:

(1) A search warrant may be issued in accordance with section 198 of the Summary Proceedings Act 1957 in relation to an alleged specified offence against this Act.

Clause 73

Heading to clause 73: to omit "of records" (line 7 on page 59).

Subclause (1)(a): to insert "or other information" after "records" (line 11 on page 59).

New clause 80AB

To insert the following clause after *clause 80A* (after line 18 on page 62):

80AB Regulations relating to administration fees

(1) The Governor-General may, by Order in Council, make regulations prescribing administration fees payable by a person specified in **subsection (2)** to meet, or assist in meeting, the costs and expenses incurred by the RUC collector in the exer-

cise of functions or powers, or in the performance of duties, or the provision of services under this Act, or regulations made under this Act.

- (2) The persons are—
 - (a) an applicant for a RUC licence under **section 15** or the holder of a licence issued under **section 17**:
 - (b) an applicant for an exemption under section 37D(1) or the holder of an exemption granted under section 37D(3):
 - (c) an owner or operator of a RUC vehicle that is registered under an alternative payment scheme.
- (3) Different rates of administration fees may be prescribed for different types or forms of RUC licence, different payment methods, or on any other differential basis.
- (4) Regulations made under subsection (1) may—
 - (a) authorise the RUC collector to refund or waive administration fees in any particular case or class of case:
 - (b) prescribe the recipient to whom administration fees are payable under this Act.
- (5) However, if there is no prescribed recipient to whom administration fees are to be paid, administration fees must be paid into a Crown bank account.

Clauses 80B and 80C

To omit these clauses (line 19 on page 62 to line 11 on page 63).

Clause 81

Paragraph (d): to omit "or part of the road user charges" (line 17 on page 66) and substitute "(or part of the road user charges)".

Paragraph (e): to omit "specifying" (line 19 on page 66) and substitute "prescribing".

Paragraph (f): to omit this paragraph (lines 21 to 24 on page 66).

Paragraph (1): to omit this paragraph (lines 9 and on 10 page 67).

New heading and paragraph (ma): to insert the following heading and paragraph after *paragraph (m)* (after line 15 on page 67):

Exempt vehicles

- (ma) prescribing or specifying, in relation to exemptions that may be granted under **section 37D**,—
 - (i) 1 or more classes of light RUC vehicles for which an exemption may be granted:
 - (ii) any other criteria that a light RUC vehicle must satisfy in order for the vehicle to qualify for an exemption:
 - (iii) any terms and conditions that apply in respect of an exemption, including the information that the

RUC collector may require in order to monitor the ongoing operation of the vehicle under **section 37E**:

- (iv) the information that must be contained in an application for an exemption:
- (v) the fee payable for an application for an exemption (if any):

Paragraph (o): to add the following subparagraph (after line 35 on page 67):

(iv) prescribing permissible forms of modification or repair of a distance recorder:

Clause 81A(1)(a)

To omit "coming into force" (line 26 on page 68) and substitute "commencement"

Heading above clause 81B and clause 81B

To omit this heading and clause (line 7 to line 30 on page 69).

Schedule 3: Part 1

To omit this Part (line 4 on page 79 to line 18 on page 82) and substitute the following Part:

Part 1

Amendments to other Acts

Canterbury Earthquake Recovery Act 2011 (2011 No 12)

Section 71(3)(s): repeal and substitute:

"(s) the Road User Charges Act **2010**:".

Children, Young Persons, and Their Families Act 1989 (1989 No 24)

Paragraph (a) of the definition of **traffic offence** in section 2(1): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Fire Service Act 1975 (1975 No 42)

Definition of **motor vehicle** in section 47B: omit "any motor vehicle with a gross laden weight (as defined in section 2(1) of the Road User Charges Act 1977) exceeding 3.5 tonnes" and substitute "a heavy RUC vehicle (as defined in **section 5(1)** of the Road User Charges Act **2010**)".

Goods and Services Tax Act 1985 (1985 No 141)

Section 5(6B): repeal and substitute:

"(6B) For the purposes of this Act, any amount of road user charges paid pursuant to the Road User Charges Act **2010** is deemed

Goods and Services Tax Act 1985 (1985 No 141)—continued

to be a consideration for a supply of services in the course or furtherance of a taxable activity carried on by the New Zealand Transport Agency."

Land Transport Act 1998 (1998 No 110)

Definition of **land transport documents** in section 2(1): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Paragraph (a) of the definition of **land transport register** in section 2(1): insert ", or the Road User Charges Act **2010**" after "Railways Act 2005".

Section 30ZH(1): omit "12 months" in each place where it appears and substitute in each case "36 months".

Section 30ZH: insert after subsection (1):

"(1A) Despite anything in subsection (1), if the logbook only contains entries for a light RUC vehicle (as defined in **section 5(1)** of the Road User Charges Act **2010**), the driver must retain the logbook only for a period of 12 months."

Section 113(1)(a): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Section 125(1)(c): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Section 146(1): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010** (or any regulations made under that Act)".

Section 147(1): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010** (or any regulations made under that Act)".

Section 147(7): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010** (or any regulations made under that Act)".

Section 167(1)(e)(iii): repeal.

Section 168(1)(a): omit "the Road User Charges Act 1977,".

Section 168(6): repeal.

Section 208(1)(a): omit "; or" and substitute ":" and add:

"(iv) the Road User Charges Act **2010**; or".

Section 218(4): omit "(other than rates of road user charges), which regulation is made under the Transport Act 1962, the Road User Charges Act 1977" and substitute "under the Transport Act 1962".

Land Transport Amendment Act 2011 (2011 No 31)

Section 7: paragraph (a) of the definition of **traffic offence** in new section 91A: omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Land Transport Management Act 2003 (2003 No 118)

Section 6(a): omit "Schedule 3 of the Road User Charges Act 1977, any additional charges under section 21A of that Act, and any assessments under section 18C or 18D of that Act" and substitute "regulations made under **section 79** of the Road User Charges Act **2010** and any assessments for unpaid road user charges under **Part 3** of that Act".

Land Transport (Road Safety Enforcement) Amendment Act 2001 (2001 No 104)

Section 3(b): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010** (or any regulations made under that Act)".

New Zealand Railways Corporation Act 1981 (1981 No 119)

Section 119A: omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Privacy Act 1993 (1993 No 28)

Third column of item relating to New Zealand Transport Agency records in Schedule 5: omit "Road User Charges Act 1977" and substitute "Road User Charges Act 2010".

Sentencing Act 2002 (2002 No 9)

Section 137(3)(fb): omit "section 9 of the Road User Charges Act 1977" and substitute "the Road User Charges Act **2010**".

Summary Proceedings Act 1957 (1957 No 87)

Paragraph (a) of the definition of **traffic offence** in section 100A(1): omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Summary Proceedings Amendment Act 2011 (2011 No 32)

Section 10: paragraph (a) of the definition of **traffic offence** in new section 79(1) of the Summary Proceedings Act 1957: omit "Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Section 32: new section 100R(1)(i) of the Summary Proceedings Act 1957: omit "section 9 of the Road User Charges Act 1977" and substitute "Road User Charges Act **2010**".

Explanatory note

This Supplementary Order Paper (SOP) amends the Road User Charges Bill by—

- extending the definition of **exempt vehicle** in *clause 5(1)* so that it includes trailers with a gross vehicle mass of 3 500 kilograms or less and all of the methods of exemption specified in *new subpart 4A* of *Part 2*:
- inserting *new subpart 4A* into *Part 2*, to incorporate all of the provisions in the Bill that relate to exemptions from the requirement to pay road user charges together in 1 subpart dealing with exempt vehicles and consequentially omitting *clauses 80B, 80C, and 81B*:
- inserting a *new clause 37D* within *new subpart 4A of Part 2* to allow the RUC collector to exempt any particular light RUC vehicle if the RUC collector is satisfied that the vehicle belongs to a class of light RUC vehicles prescribed by regulations under *clause 81* and will be operated almost exclusively off-road:
- amending *clause 45(4)* to increase the distance that the owner or operator of a RUC vehicle may travel to replace a non-compliant hubodometer from a distance not exceeding 500 kilometres to a distance not exceeding 1 000 kilometres:
- substituting *new clause 53* so that a penalty may be imposed for a failure to pay road user charges after the issue of a new assessment or an amended assessment:
- substituting *new clause 58*, which requires a vehicle inspector of a RUC vehicle to report the reading on the vehicle's distance recorder following an inspection of the vehicle, rather than only reporting a reading to the RUC collector if the reading exceeds the maximum distance for the RUC vehicle:
- omitting *clause* 59(2)(b)(vi), which requires a person who holds, or has held a transport service licence, to retain timekeeping records for a period of 6 years:
- substituting *new clause 72(1)*, which relates to the issue of a search warrant in respect of alleged specified offences, to ensure that the power to issue a search warrant is consistent with the power to do so in section 198 of the Summary Proceedings Act 1957:
- inserting *new clause 80AB*, which enables regulations to be made prescribing administration fees and consequentially omitting *clause 30*:
- inserting *new clause 81(ma)*, which enables regulations to be made prescribing various matters relating to exemptions granted by the RUC col-

- lector under *new clause 37D* and consequentially omitting *clause 81(f)* and (l):
- inserting *new clause* 81(o)(iv), which enables regulations to be made prescribing permissible forms of modification or repair of a distance recorder:
- substituting *new Part 1 of Schedule 3* (which makes consequential amendments to other Acts) to consolidate the amendments in that Part of the schedule and to reflect recent changes made to other Acts by the enactment of the Courts and Criminal Matters Bill:
- making other consequential and drafting changes to improve the Bill.