

# Sale of Land to Recover Unpaid Rates and Charges

## 1 Purpose

Under Section 713 of the Local Government Act 1993, Council has the power to sell land to recover unpaid rates and charges. Council must strictly comply with the legislative requirements and the purpose of this policy is to provide the clear objective to be achieved from the sale of land in that regard.

## 2 Policy

The sale of any land to recover unpaid rates and charges that have been outstanding for the legislated periods of time is regarded as a last resort enforcement measure to be undertaken only after other Council debt management processes have failed.

The benefit of selling land for unpaid rates and charges is that Council shall, in most instances, be able to recover all monies owed. Furthermore, the land becomes a revenue producing property again. That is, the new owner is a new ratepayer.

1. The objectives of actions to sell land for unpaid rates and charges are:
  - a) To sell the land for an amount equal to, or more, than the estimated value of the land, and
  - b) To recover the following amounts from the proceeds of the sale:
    - i. All expenses incurred with the sale,
    - ii. The amount due to Council including rates, charges, interest and collection costs,
    - iii. Any enforcement expenses, and
    - iv. Any other amount due to Council in respect of the land.
2. For the purpose of the sale of land for unpaid rates and charges, in accordance with Section 713 of the Local Government Act 1993, a Council may sell:
  - a) Any land (including vacant land) on which any rate or charge has remained unpaid for more than five (5) years from the date on which it became payable,
  - b) Any vacant land on which any rate or charge has remained unpaid for more than one (1) year from the date on which it became payable if:
    - i. Council obtains a valuation of the land from the Valuer-General; and
    - ii. The total amount of unpaid rates or charges on the land exceeds the valuation, and
    - iii. The land is sold within six (6) months of the date of the valuation.
3. Prior to the sale of land the General Manager or the Public Officer must certify in writing:
  - a) what rates and charges (including overdue rates and charges) are payable on the land, and
  - b) when each of those rates and charges was made and how it was levied, and
  - c) when each of those rates and charges became payable, and
  - d) what amounts are payable by way of overdue rates and charges on the land, and
  - e) what amounts are payable by way of rates and charges (other than overdue rates and charges) on the land.

4. In the case of adjoining parcels of land (whether in the same or different ownerships) The Council may elect for the properties to be sold:
- separately or as a single parcel and under whatever conditions
  - do such things as it considers appropriate for the purpose of selling the land at its full value.

The above are the minimum requirements for sale of land for unpaid rates and charges.

A report to Council will be presented with a recommendation to commence the Sale of Land to Recover Unpaid Rates and Charges process detailing each property to be subject to the process prior to public notification being given.

### 3 Definitions

NIL

### 4 Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead Councillors in their understanding of, and compliance with this policy.
General Manger	Executive	To lead staff (either directly or through delegated authority) in their understanding of, and compliance with this policy.
Directors	All Directorates	To communicate, implement and comply with this policy.
Group Leader Financial Services and Logistics	Business Services	Recommend assessments to be sold for unpaid rates and charges who meet the requirements of the legislation and policy. To oversee the sales process.
Section Leader – Financial Support	Business Services	To oversee Council Debt Recovery Process.
Financial Support Staff	Council	To undertake Councils Debt Recovery Process.

### 5 References

- Debt Recovery Procedure;
- Local Government Act 1993
- Council Rating and Revenue Manual 2007;
- Local Government (General) Regulations 2005.

### 6 Details of Approval and revision

- Approval date: 28/06/2018**
- Responsible Section: Financial Support**
- Superseded policies/procedures:**
- Next review date: 28/06/2022**

Table of amendments

Amendment	Authoriser	Approval ref	Date