

5. 148 NEW BRIGHTON ROAD – RATE WRITE-OFF

Officer responsible Financial Services Manager	Author Paul Melton, DDI 941-8413
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The purpose of this report is to seek Council approval for writing off rates on 148 New Brighton Road.

BACKGROUND

148 New Brighton Road is unusual in that it has no certificate of title and the owner is unable to be traced.

The property is an elongated and vacant parcel of land (see attached aerial photograph) which can be accessed from New Brighton Road. It can be likened to a drainage reserve. (Drainage Reserves are parcels of land which were created to drain stormwater to the River Avon.) In this case however, 148 New Brighton Road represents residual land left over from subdivisions carried out many years earlier. The land is contained within the old Deeds Index and has never been brought into the Land Transfer System.

OWNERSHIP

The land was owned by James Gregg who died many years ago. Despite an extensive search of the records it has not been possible to determine when Mr Gregg died or the existence of any executors or administrators of his Estate.

RATES

A former Rates Manager believed that this property was capable of being sold and from 1970 began levying rates.

Rate arrears amounting to \$64,249 are outstanding as at 30 June 2004. The 2003/04 rates were assessed at \$289.40 and the rating valuation (Capital Value) is \$30,000. While the annual rates are not significant the outstanding balance means that penalties of more than \$12,000 per year are continuing to accrue.

PROPOSAL

This property has been rated on the assumption that it will be sold and the proceeds from the sale will be applied to the rate arrears.

Attempts to trace the new owner have been unsuccessful and the rates have in the intervening 34 years grown to \$64,249 which is more than double the rating value (\$30,000) of the property.

The rates owing on this property are considered to be irrecoverable and given their total value distort the Council's rate arrears figure. It is proposed therefore that the outstanding rates balance be written off and that the land be granted the status of non rateable land with effect from 1 July 2004.

In terms of the non rateable status the land would like all the drainage reserves incur a liability for general rates. The small amount of general rates which are payable each year would like the drainage reserves be remitted under the Council's Rates Remission Policy. In the event of the Council becoming the owner, and if there was a subsequent sale then the rates should be reinstated and the sale proceeds used to offset these rates.

While writing off the rate arrears will resolve the rates issue, there is still a need to resolve the legal status of the property. The Legal Services Unit will be requested to review the file and develop a course of action which will resolve the question of ownership and bring the land under the Land Transfer Act.

Committee**Recommendation:**

1. That the Financial Services Manager be authorised to write off the outstanding rates of \$64,249 on 149 New Brighton Road.
2. That, in the event of the Council becoming the owner, and if there is a subsequent sale of the property, then the rates be reinstated and the sale proceeds be used to offset these rates.
3. That 148 New Brighton Road be granted the status of non rateable land with effect from 1 July 2004 and this remain in place until the ownership of the land has been resolved.
4. That the general rates be remitted annually until the ownership of the land has been resolved.
5. That the Legal Services Unit be requested to resolve the ownership issue and to bring the land under the Land Transfer Act.