

Infrastructure Funding and Financing Amendment Bill

Government Bill

As reported from the Finance and Expenditure Committee

Commentary

Recommendation

The Finance and Expenditure Committee has examined the Infrastructure Funding and Financing Amendment Bill and recommends that it be passed. We recommend all amendments unanimously.

Introduction

The Infrastructure Funding and Financing Amendment Bill would amend the Infrastructure Funding and Financing Act 2020 (the IFF Act) to improve its usability. The bill would:

- remove unnecessary barriers to using the IFF Act
- improve its viability for a range of infrastructure projects
- make the process for developing and approving levies simpler and more streamlined.

About the principal Act

The Infrastructure Funding and Financing Act introduced a new model for funding and financing the provision of new and upgraded infrastructure for housing and urban development.¹ The IFF Act enables infrastructure projects to be undertaken independently of local authorities' financing constraints and without charging high upfront costs to developers.

¹ “Financing” refers to raising capital to meet upfront costs of projects. “Funding” refers to the ultimate way to pay for proposals.

Through the IFF Act, a special purpose vehicle (SPV), rather than a council or other infrastructure authority, is used to fund infrastructure. Finance raised using an SPV is excluded from councils' balance sheets, so it does not affect councils' debt limits. SPVs will repay any finance raised by charging a levy on those who benefit from the infrastructure, such as the landowners in the area serviced by the new infrastructure.

Levies are charged annually for a specified amount of time (up to a maximum of 50 years) until the SPV's financing is paid off. Councils collect levies from affected property owners and pass them on to the SPV. Levies are described in a property's land and information memorandum (LIM) and any levy amounts owing are included in the rates assessments and invoices sent out by local councils.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have considered several issues related to the legislation's design and process:

- **Right to challenge validity of a levy, right to natural justice, and potential for the compulsory acquisition of private property**—We are proposing amendments to clause 58 of the bill which we consider will address these issues, raised by the Office of the Clerk. They are discussed in detail under “Accelerated recovery mechanism”.
- **Regulation-making powers**—The Regulations Review Committee raised an issue about the regulation-making powers in section 29 of the IFF Act related to the setting of levies and what type of infrastructure and costs they may fund. It said the removal of oversight and safeguard measures raised the risk of “double dipping”, as both development contributions and new levies could potentially be applied to the same project. Officials responded to the committee's concerns in a letter dated 16 April 2026. We are satisfied that the bill contains appropriate safeguards related to the approval of levies and to avoid the risk of double dipping.
- **Consultation with Māori**—The bill as introduced would make two major changes concerning protected Māori land: it would clarify the definition, particularly regarding general land owned by Māori, and it would remove the requirement for owner consent for levy proposals expected to cover 5,000 or more leviable properties. However, consultation with Māori landowners has been limited, with broader consultation planned to coincide with our committee's consideration of the bill. We gave officials permission to undertake stakeholder engagement with iwi and Māori on changes to protected Māori land provision concurrent with our consideration of the bill. We are satisfied with the extent and nature of engagement that officials have conducted with iwi and Māori on the specific provisions of this bill.

Proposed amendments

The rest of this commentary covers the main amendments we recommend to the bill as introduced; we do not discuss minor or technical amendments. Many of the amendments we propose are to improve the workability of the bill, particularly regarding changes to enable new water organisations to use the IFF model. Our more substantive recommendations relate to the following matters:

- accelerated recovery mechanism
- cumulative affordability concerns
- levy proposals should contain details of any consultation with affected landowners, iwi, or hapū.

For more detail, refer to the Departmental Report prepared by the Ministry of Housing and Urban Development.

Accelerated recovery mechanism

Clause 58 of the bill as introduced would insert new subpart 2A into Part 4 of the IFF Act to establish an accelerated recovery mechanism. It would enable a special purpose vehicle (SPV) to recover promptly financing costs and IFF funding provided for infrastructure if a development fails.² The mechanism would allow a levy order to specify (via clause 26, new section 34(1)(l)) the factors to be used to determine whether a development has failed, and how the proceeds from the sale of undeveloped land are to be applied. Determining that a development has failed would allow a responsible SPV to use the accelerated recovery process. Importantly, the accelerated recovery mechanism could not be applied to protected Māori land (new section 98B).

During our consideration, we identified issues with the proposed accelerated recovery mechanism related to the right to justice under section 27 of the New Zealand Bill of Rights Act 1990 (NZBORA). We also have concerns about compulsory acquisition of private property and new decision-making powers affecting landowners' rights. We outline these concerns in more detail below, and then set out our recommended amendments.

Right to challenge the validity of a levy, and right to natural justice

Under the accelerated recovery mechanism, an SPV could issue a written notice demanding repayment of funding and financing that relates to undeveloped land in the levy area, as well as the costs of any unpaid levies. If payment was not made within 20 working days, the SPV could apply to the Registrar of the High Court to sell the undeveloped land.

The process is triggered solely based on the SPV's satisfaction that a development has failed (new section 98C). Nothing in new subpart 2A would enable a landowner to

² Clause 5 of the bill as introduced defines "IFF funding" as "funding under this Act for eligible costs relating to eligible infrastructure".

know the basis of an SPV reaching that determination or how to respond to any concerns before that determination was reached. There is also no explicit right of appeal provided for under these new sections or any provision that would explicitly allow the landowner to challenge the proposed sale of their land.

The absence of provisions enabling landowners to understand, challenge, or appeal the SPV's determination raises concerns regarding compliance with section 27(1) of NZBORA. In addition, clause 40 and clause 47, new section 86G appear to limit the basis on which a levy payer may challenge the validity of the imposition of a levy. This raises concerns regarding compliance with section 27(3) of NZBORA. We note that the validity challenges referred to in the bill would be against an SPV or responsible levy authority (RLA), rather than the core Crown. Nevertheless, there remains a *prima facie* question as to whether restricting the basis upon which a levy may be challenged impinges on the right to justice affirmed by section 27 of NZBORA.

We asked officials why it is proposed to limit validity challenges brought against the imposition of a levy. We were advised that these provisions are based on section 60 of the Local Government (Rating) Act ("Invalidity of rates not ground for refusal to pay rates").

Power to sell land to recover a debt that has not been determined to exist by a court or tribunal

The accelerated recovery mechanism would give the High Court a power to sell land, as the debt is determined directly by the SPV without an independent court or tribunal decision (clause 26, new section 34(1)(l)). This raises concerns about compulsory acquisition of private property and new decision-making powers affecting landowners' rights, as it would depart from the usual requirement for judicial determination before a forced sale of land.

Proposed amendment to require court judgment

To mitigate our concerns, we recommend amending clause 58 to require an SPV to seek a court judgment for financing costs and IFF funding before the SPV may apply to the Registrar for the sale of undeveloped land. We also recommend amending clause 58 to provide that an SPV may commence legal proceedings if the landowner does not make the payment within 20 working days after receiving notice from an SPV.

This additional safeguard would introduce an independent assessment of the amount of financing costs and IFF funding that the SPV has determined need to be repaid. It would also ensure that there was a judgment by the High Court before sale proceedings could be commenced. Finally, it would provide an avenue for a landowner to challenge the assessment of the amount to be repaid to the responsible SPV.

We are satisfied that our recommendations would mitigate our concerns related to section 27 of NZBORA and our concerns about the compulsory acquisition of private property and new decision-making powers affecting landowners' rights.

Cumulative affordability concerns

Clause 17 of the bill as introduced would replace section 27 of the IFF Act with new sections 27 and 27A. New section 27 would simplify the mandatory considerations that the Minister must take into account before recommending a levy order to be made. The amendments would also enable a levy order to be made only on the terms set out in the levy proposal, rather than on the terms set out in the recommender's report. However, the Minister may recommend a levy order that specifies a lower maximum levy revenue and intended annual levy than was set out in the levy proposal.

Under new section 27A, neither a recommender nor the Minister is required to consider the long-term interests, affordability, or sustainability of a levy payment if the land in the levy area is either owned by the levy proposer or if the owners or purchasers of the land have provided written support for the levy.

Submitters were concerned about the potential cumulative effects of new levies on affordability and noted that properties could be subject to more than one IFF levy and a number of other mandated charges, such as for rates and water. Some of these submitters recommended explicit consideration of cumulative affordability as part of the levy approvals process or an RLA's endorsement criteria.

Other submitters suggested amendments to maintain a public record of all existing and proposed levies so they could be considered alongside other mandated costs when assessing a new levy.

During targeted engagement hui with iwi and Māori, participants raised concerns about "double dipping" and whether Māori landowners could face both rates and levies in ways that equate to cumulative charging.

We share these concerns. Accordingly, we recommend amending clause 17, new section 27(5)(c) to require the Minister, when assessing the affordability of a levy, to also consider the cumulative affordability of the levy when combined with existing levies, rates, and water services charges.

Levy proposal should contain details of any consultation with affected landowners, iwi, or hapū

Clause 11 would replace section 18 of the IFF Act to align the content of the levy proposal and the levy order. Clause 11 would also insert new section 18A to provide that new or upgraded infrastructure described in section 8(2) may be completed up to two years before a levy proposal submission.

Submitters from councils, iwi, Māori organisations, and individuals referred to the need for engagement with iwi, hapū, and Māori as part of the process of proposing a levy under the IFF Act. Submitters suggested that engagement should occur when:

- levy areas or charges may affect Māori land
- Māori land is subject to Treaty settlement processes
- infrastructure decisions may affect Māori land.

We were advised that similar feedback was given during targeted engagement, including that consultation with mana whenua should be a mandatory part of the bill especially during the assessment of the application, particularly where infrastructure affects wāhi tapu, retained green space, buffer areas, or culturally significant land.

Participants were clear that consent is not just about ticking off a process step. In many cases, it is one of the only formal points where Māori landowners or mana whenua can engage, ask questions, and influence decisions affecting their land. There was a strong view that if consent is removed, something meaningful needs to replace it.

We agree that engagement with iwi, Māori, and affected Māori landowners would strengthen the ability of proposers, the recommender, and the responsible Minister to understand Māori views and the potential effects for Māori. We recommend amending clause 11 by inserting new section 18(1)(ba) to provide that a levy proposal must include details of any consultation undertaken, including with affected landowners, iwi, or hapū.

Green Party of Aotearoa New Zealand differing view

The Green Party supports investing in infrastructure for public good. This includes affordable housing, sustainable and affordable transportation, renewable energy, and clean drinking water, as well as mitigating and adapting to climate change. New Zealand is playing catch up on social, environmental, and physical infrastructure that our communities need to thrive now and in the future.

While we support finding better ways to fund and finance infrastructure that enhances public good and we support the overall intent of the bill, we are concerned that this bill will enable private developers (or Crown entities) to proceed with ill-considered projects and lock people in to unaffordable repayments. What has been characterised as “unnecessary barriers” to uptake of the IFF may actually be that projects don’t stack up, and should not be built.

The changes that we find most concerning are removing the requirement to assess a levy’s affordability for proposals supported by developers and all other existing landowners, and improving certainty for developer-led proposals by limiting councils’ abilities to withhold the necessary endorsements if statutory requirements have been met.

Appendix

Committee process

The Infrastructure Funding and Financing Amendment Bill was referred to this committee on 9 December 2025.

We called for submissions on the bill with an initial closing date of 23 January 2026, which we later agreed to extend until 20 February 2026. We received and considered submissions from 60 interested groups and individuals. We heard oral evidence from 6 submitters at hearings in Wellington and via videoconference. We wish to acknowledge the efforts of all submitters and thank them for their engagement.

Advice on the bill was provided by the Ministry of Housing and Urban Development. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting. The Regulations Review Committee reported to us on the powers contained in the bill.

Committee membership

Ryan Hamilton (Chairperson from 13 May 2026)

Hon Cameron Brewer (Chairperson and member until 13 May 2026)

Dan Bidois

Hon Barbara Edmonds

Francisco Hernandez (from 11 February 2026)

Nancy Lu

Hon Dr Deborah Russell

Tom Rutherford (from 13 May 2026)

Todd Stephenson

Chlöe Swarbrick (until 11 February 2026)

Rawiri Waititi

Dr David Wilson

Hon Dr Megan Woods

Arena Williams and Tangi Utikere participated in our consideration of this bill.

Related resources

The documents we received as advice and evidence are available on the Parliament website.

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Hon Chris Bishop

Infrastructure Funding and Financing Amendment Bill

Government Bill

Contents

	Page
1 Title	7
2 Commencement	7
Part 1	
Amendments to Infrastructure Funding and Financing Act 2020	
3 Principal Act	7
4 Section 3 amended (Purpose)	7
5 Section 7 amended (Interpretation)	7
6 Section 8 amended (Meaning of eligible infrastructure)	9
<u>6A</u> Section 9 amended (Meaning of eligible costs)	<u>9</u>
7 New section 9A inserted (Meaning of responsible levy authority or RLA)	9
9A Meaning of responsible levy authority or RLA	9
<u>7</u> New sections 9A to 9C inserted	<u>10</u>
9A Responsible levy authority that is water organisation	10
9B Responsible levy authority that is water organisation: Auckland water organisation	11
9C Responsible levy authority that is territorial authority	11
8 Section 10A inserted (What is developed land)	12
10A What is developed land	12
9 Section 11 amended (Meaning of protected Māori land)	12
10 Section 15 amended (How Local Government (Rating) Act 2002 applies to this Act)	13
11 Section 18 replaced (Content of levy proposal)	13
18 Content of levy proposal	13
18A Eligible infrastructure to which levy proposal relates	14

Infrastructure Funding and Financing Amendment Bill

12	Section 20 amended (Infrastructure endorsement)	14
13	Section 21 replaced (Levy endorsement)	15
	21 Levy endorsement	15
14	Section 24 amended (Consent to include protected Māori land)	15
15	Section 25 amended (Recommendation)	15
16	Section 26 amended (Recommendation report)	16
17	Section 27 replaced (Responsible Minister may recommend levy order to Governor-General in Council)	16
	27 Responsible Minister may recommend levy order to Governor-General in Council	16
	27A When analysis is not required of long-term interests, affordability, and sustainability of payment	17
18	Section 28 repealed (Consultation)	18
19	Section 30 amended (Monitor publishes recommender's report)	18
20	New section 30A inserted (Monitor publishes levy proposal)	18
	30A Monitor publishes levy proposal	18
21	Section 31 amended (Content of levy order)	18
22	Section 32 amended (Setting levy: leviable land)	18
23	New section 32A inserted (Setting levy: leviable land if RLA is water organisation)	19
	32A Setting levy: leviable land if RLA is water organisation	19
24	Section 33 amended (Setting levy: factors to be used in assessing liability)	20
25	New section 33A inserted (Setting levy: assessing liability if RLA is water organisation)	20
	33A Setting levy: assessing liability if RLA is water organisation	20
26	Section 34 amended (Additional content of levy order)	21
27	Section 37 amended (Who must pay levy)	21
28	New section 37A inserted (Who must pay levy if RLA is water organisation)	21
	37A Who must pay levy if RLA is water organisation	21
29	Section 38 amended (When levy payment must be made)	22
30	New sections 38A and 38B inserted	22
	38A One-off charge on development	22
	38B One-off charge on portion of levy liability	22
31	Section 39 amended (Levy period)	23
32	Section 40 amended (Annual levy)	23
33	Section 41 replaced (Rating information needed by SPV)	23
	41 Information needed by SPV	23
34	Section 42 amended (Proposed annual levy resolution)	23
35	Section 49 amended (Monitor directs resolution)	24
36	Section 51 amended (Responsible SPV may correct annual levy resolution)	24

Infrastructure Funding and Financing Amendment Bill

37	Part 3 heading amended	24
38	Section 53 amended (Outline of this Part)	24
39	New section 53A inserted (Application of this Part)	24
	53A Application of this Part	24
40	Section 59 replaced (Invalidity of levy not ground for refusal to pay levy)	24
	59 Invalidity of levy not ground for refusal to pay levy	24
41	New section 60A and cross-heading inserted	25
	<i>Information sharing between water organisations and RLAs</i>	
	60A Water organisation to give information to RLA	25
42	Section 76 replaced (Levy remission and levy postponement policies)	25
	76 Levy remission and levy postponement policies	25
43	Section 80 replaced (Recovery under Local Government (Rating) Act 2002)	25
	80 Recovery under Local Government (Rating) Act 2002	26
44	Section 82 replaced (Recovery action generally)	26
	82 Responsible SPV may take recovery action in relation to unpaid levy	26
	82A Responsible SPV to notify recovery action taken	26
45	Section 83 repealed (Legal proceedings to recover levy)	26
46	Section 84 repealed (Application of proceeds of rating sale or lease that involves levy)	26
47	New Part 3A inserted	26
	Part 3A	
	Administration of levy when RLA is water organisation	
	86A Outline of this Part	27
	86B Application of this Part	27
	Subpart 1—Who administers levy	
	86C Who administers levy under this Part	27
	86D Levy administration agreement between RLA that is water organisation and SPV	27
	86E When agreement not reached between RLA that is water organisation and SPV	27
	86F When RLA that is water organisation is not required to recover unpaid levy	28
	86G Invalidity of levy not ground for refusal to pay levy to RLA that is water organisation or SPV	28

	Subpart 2—RLA that is water organisation administers levy	
	<i>Levy proceeds paid to responsible SPV</i>	
86H	Levy collected by RLA that is water organisation to be paid to <u>responsible</u> SPV	28
	<i>Sharing of information</i>	
86I	Territorial authority to give rating information to RLA that is water organisation	29
86J	Rating information that may not be withheld	29
86K	Responsible SPV to give levy-related information to RLA that is water organisation	29
<u>86KA</u>	<u>RLA that is water organisation to give territorial authority information for purposes of land information memoranda</u>	<u>29</u>
	<i>Correction of errors and recovery of additional levy</i>	
86L	Correction of errors by RLA that is water organisation	30
<u>86LA</u>	<u>Amended levy assessment if error is corrected</u>	<u>30</u>
	<i>Levy assessment and invoicing</i>	
86M	Assessment of levy liability by RLA that is water organisation	30
86N	Levy assessment notified to levypayer by RLA that is water organisation	30
<u>86N</u>	<u>Levy assessment notified to levypayer by RLA that is water organisation</u>	<u>31</u>
86O	Information to be included in levy assessment by RLA that is water organisation	31
86P	Levy invoice delivered by RLA that is water organisation	31
	<i>Penalties</i>	
86Q	Penalties imposed for unpaid levy by RLA that is water organisation	32
	<i>Remission and postponement of levy</i>	
86R	Levy remission and levy postponement policies agreed between RLA that is water organisation and SPV	33
86S	Remission of levy by RLA that is water organisation	33
86T	RLA that is water organisation must postpone requirement to pay levy	33
	<i>Recovery of unpaid levy by RLA</i>	
86U	RLA that is water organisation may recover levy	34
	Subpart 3—Responsible SPV may recover unpaid levy	
86V	SPV may commence legal proceedings to recover levy administered under this Part	34

Infrastructure Funding and Financing Amendment Bill

	86W	SPV to be given information for purpose of legal proceedings	34
48		Section 90 amended (Eligible infrastructure vested in responsible infrastructure authority)	34
49		Section 91 amended (Excess levy at end of levy period)	35
50		Section 92 amended (Excess levy threshold)	35
51		Section 93 amended (Responsible SPV may assign uncollected levy to responsible levy authority)	35
52		Section 94 amended (Application and interpretation)	36
53		Section 95 amended (Responsible levy authority to inform responsible SPV about previous contributions)	36
54		New section 95A inserted (Levy and previous contribution to fund different portions of costs of construction in order to be authorised as eligible costs)	37
	95A	Levy and previous contribution to fund different portions of costs of construction in order to be authorised as eligible costs	37
55		Section 96 repealed (Responsible SPV may direct responsible levy authority to transfer previous contributions and remit levies)	37
56		Section 97 repealed (Responsible levy authority must refund or return previous contributions if no direction)	37
57		Section 98 repealed (Sections 209 and 210 of Local Government Act 2002 do not apply to those previous contributions)	37
58		New subpart 2A of Part 4 inserted	37
		Subpart 2A—Accelerated recovery of IFF funding when development has failed	
	98A	Interpretation	38
	98B	Application	38
	98C	SPV may issue notice of repayment when development has failed	38
	98D	Formula for repayment of IFF funding that relates to undeveloped land	39
	98DA	<u>Legal proceedings to recover IFF funding and associated costs</u>	39
	98DB	<u>Registration of charging order for judgment for IFF funding and associated costs</u>	39
	98E	SPV may apply to Registrar for sale of undeveloped land	40
	98F	Sale of undeveloped land	40
	98G	How sale must be conducted	41
	98H	Further powers and duties of Registrar	41
	98I	Execution of documents for sale	42
	98J	Presumption of valid sale	42
	98K	Application of balance of proceeds	42

Infrastructure Funding and Financing Amendment Bill

	98L	Certain sections do not apply to transaction under this subpart	42
	98M	No further levies may be charged	42
	98N	Reduction of maximum levy revenue when funding recovered for undeveloped land	42
59		Section 99 amended (Power to construct eligible infrastructure on private land)	43
60		Section 120 amended (Monitor must publish information)	43
61		Section 121 amended (Information and assistance)	43
62		Section 157 amended (Responsible levy authority may delegate)	44
63		Schedule 1 amended	44
64		Minor and consequential amendments to principal Act	44
65		Consequential amendments to Local Government (Water Services) Act 2025	44

Part 2

Amendments to other legislation

Subpart 1—Amendments to Local Government (Rating) Act 2002

66		Principal Act	44
67		Section 75 amended (Application of proceeds of rating sale or lease)	44
68		Section 75A amended (Unpaid levy under Infrastructure Funding and Financing Act 2020)	44
69		Section 75B replaced (Application of proceeds of rating sale or lease that involves levy)	45
	75B	Application of proceeds of rating sale or lease that involves levy	45
	75C	Application of proceeds of rating sale or lease when there are insufficient proceeds	45
70		Section 83B amended (Application of proceeds of sale or lease)	46
71		Schedule 1AA amended	46

Subpart 2—Amendments to High Court Fees Regulations 2013

72		Principal regulations	46
73		Schedule amended	46

Schedule 1

New Part 2 inserted into Schedule 1 of Infrastructure Funding and Financing Act 2020

Schedule 2

Minor and consequential amendments to Infrastructure Funding and Financing Act 2020

Schedule 3

Consequential amendments to Local Government (Water Services) Act 2025

Schedule 4	56
New Part 3 inserted into Schedule 1AA of Local Government (Rating) Act 2022	
Schedule 5	57
Schedule of High Court Fees Regulations 2013 amended	

The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Infrastructure Funding and Financing Amendment Act **2025**.

2 Commencement

This Act comes into force on the day after Royal assent. 5

Part 1

Amendments to Infrastructure Funding and Financing Act 2020

3 Principal Act

This Part amends the Infrastructure Funding and Financing Act 2020.

4 Section 3 amended (Purpose)

10

Repeal section 3(1)(a) and (b).

5 Section 7 amended (Interpretation)

(1) In section 7(1), insert in their appropriate alphabetical order:

Auckland water organisation has the same meaning as in section 4(1) of the Local Government (Auckland Council) Act 2009

15

costs of the construction of eligible infrastructure means the costs of the construction of eligible infrastructure that are set out in section 9(3)

developed land means a parcel of land that meets the requirements of **section 10A**

IFF funding means funding under this Act for eligible costs relating to eligible infrastructure 20

Māori land, in relation to a water organisation, has the same meaning as in section 4 of Te Ture Whenua Maori Act 1993

property, in relation to a water organisation, has the same meaning as in section 94(5) of the Local Government (Water Services) Act 2025 25

responsible levy authority that is a territorial authority or **RLA that is a territorial authority** means a responsible levy authority described in **~~section 9A(7)(a) or (b)~~ 9C(2)(a) or (b)**

- responsible levy authority that is a water organisation or RLA that is a water organisation** means a responsible levy authority described in **section 9A(2), (3), or (5) or (3) or 9B(2)**
- State enterprise** has the same meaning as in section 2 of the State-Owned Enterprises Act 1986 5
- undeveloped land** means land within a levy area that is not developed land
- water organisation** has the same meaning as in section 4 of the Local Government (Water Services) Act 2025
- water services** has the same meaning as in section 4 of the Local Government (Water Services) Act 2025 10
- water services infrastructure** means infrastructure relating to water supply, sewerage, treatment and disposal of sewage, or stormwater drainage
- (2) In section 7(1), definition of **due date**, replace “responsible levy authority’s” with “RLA’s”.
- (3) In section 7(1), definition of **levy**, paragraph (b), after “section 75”, insert “or **86Q**”. 15
- (4) In section 7(1), replace the definition of **levy area** with:
- levy area** means—
- (a) the geographic area or areas of land for which a levy is authorised by a levy order; but 20
- (b) excludes any geographic area or areas of land that have been excluded by an SPV under **section 98N**
- (5) In section 7(1), definition of **levy assessment**, after “section 70”, insert “or **86N**”.
- (6) In section 7(1), definition of **levy period**, after “section 52”, insert “or **98N**”. 25
- (7) In section 7(1), replace the definition of **levypayer** with:
- levypayer** means the person who is liable—
- (a) under section 37 to pay any levy that is due on a rating unit or separate rating area; or
- (b) under **section 37A** to pay any levy that is due on a property or Māori land 30
- (8) In section 7(1), definition of **maximum levy revenue**, after “section 52”, insert “or **98N**”.
- (9) In section 7(1), definition of **publish**, replace “a responsible levy authority” with “an RLA”. 35
- (10) In section 7(1), definition of **responsible infrastructure authority**, replace paragraphs (a) to (d) with:
- (a) the RLA:

- (b) if the RLA is a territorial authority,—
- (i) a council-controlled organisation of the RLA:
 - (ii) the relevant regional council:
- (c) another territorial authority:
- (d) a water organisation: 5
- (e) a government agency:
- (f) a State enterprise
- (11) In section 7(1), replace the definition of **responsible levy authority** with: 10
responsible levy authority or **RLA** has the meaning set out in **section 9A, 9B, or 9C**
- (12) Repeal section 7(2).
- 6 Section 8 amended (Meaning of eligible infrastructure)**
- (1) In section 8(3), replace the definition of **community infrastructure** with: 15
community infrastructure has the same meaning as in section 197(2) of the Local Government Act 2002, except for the following:
- (a) the land is not required to be owned or controlled, or to be acquired, by the territorial authority:
 - (b) the development assets on the land are not required to be owned or controlled by the territorial authority
- (2) In section 8(3), repeal the definition of **water services infrastructure**. 20
- 6A Section 9 amended (Meaning of eligible costs)**
- In section 9(3)(c), before “costs”, insert “to the extent that eligible infrastructure will vest in a responsible infrastructure authority.”.
- 7 ~~New section 9A inserted (Meaning of responsible levy authority or RLA)~~** 25
After section 9, insert:
- 9A Meaning of responsible levy authority or RLA**
- RLA that is water organisation*
- (1) **~~Subsections (2) and (3)~~** apply if—
- (a) ~~a levy is only authorised for water services infrastructure for which a water organisation is responsible through a transfer agreement as set out in section 12 or 15 of the Local Government (Water Services) Act 2025; and~~ 30
 - (b) ~~the levy is to be assessed using 1 or more of the methods for calculating a charge under section 86 of the Local Government (Water Services) Act 2025.~~ 35

- (2) The ~~responsible levy authority~~ or ~~RLA~~, in relation to the levy area, means the relevant water organisation.
- (3) However, for the purposes of **sections 86N, 86O, and 86P**, the **responsible levy authority** or **RLA**, in relation to the levy area,—
- (a) means the relevant water organisation; and 5
- (b) includes an agent of the water organisation, if the transfer agreement provides that rates, fees, and other charges will be collected by an agent of the water organisation.
- (4) **Subsection (5)** applies if—
- (a) a levy is only authorised for infrastructure relating to water supply and wastewater services (as defined in section 4(1) of the Local Government (Auckland Council) Act 2009); and 10
- (b) an Auckland water organisation (as defined in section 4(1) of the Local Government (Auckland Council) Act 2009) is responsible for the infrastructure described in **paragraph (a)**; and 15
- (c) the levy is to be assessed using 1 or more of the methods for calculating a charge under section 86 of the Local Government (Water Services) Act 2025.
- (5) The ~~responsible levy authority~~ or ~~RLA~~, in relation to the levy area, means the Auckland water organisation. 20
RLA that is territorial authority
- (6) **Subsection (7)** applies in any other circumstance.
- (7) The ~~responsible levy authority~~ or ~~RLA~~, in relation to the levy area, means—
- (a) the territorial authority for the district in which the levy area is located; or 25
- (b) if the levy area is located in more than 1 district, each territorial authority in whose district any part of the levy area is located.
- (8) For the purposes of **subsection (7)(b)**, each RLA's responsibility under this Act relates only to that part of the levy area that is in the territorial authority's district. 30

7 New sections 9A to 9C inserted

After section 9, insert:

9A Responsible levy authority that is water organisation

- (1) This section applies if—
- (a) a levy is authorised only for water services infrastructure that is, or will be, used to provide water services for which a water organisation is responsible through a transfer agreement as set out in section 12 or 15 of the Local Government (Water Services) Act 2025 (the **2025 Act**); and 35

	(b) <u>the levy is to be assessed using 1 or more methods for calculating a charge under section 86 of the 2025 Act.</u>	
(2)	<u>The responsible levy authority or RLA, in relation to the levy area, is the water organisation.</u>	
(3)	<u>For the purposes of sections 86N, 86O, and 86P, the responsible levy authority or RLA, in relation to the levy area, includes an agent of the water organisation if the transfer agreement provides that rates, fees, and other charges will be collected by an agent of the water organisation.</u>	5
(4)	<u>This section does not apply to an Auckland water organisation.</u>	
9B	<u>Responsible levy authority that is water organisation: Auckland water organisation</u>	10
(1)	<u>This section applies if—</u>	
	(a) <u>a levy is authorised only for—</u>	
	(i) <u>infrastructure that is, or will be, used to provide water supply or wastewater services (as defined in section 4(1) of the Local Government (Auckland Council) Act 2009) for which an Auckland water organisation is responsible; or</u>	15
	(ii) <u>water services infrastructure that is, or will be, used to provide water services for which an Auckland water organisation is responsible through a transfer agreement as set out in section 12 or 15 of the Local Government (Water Services) Act 2025 (the 2025 Act); and</u>	20
	(b) <u>the levy is to be assessed using 1 or more of the methods for calculating a charge under section 86 of the 2025 Act.</u>	
(2)	<u>The responsible levy authority or RLA, in relation to the levy area, is the Auckland water organisation.</u>	25
(3)	<u>Subsection (1)(b) applies to an Auckland water organisation despite section 84 of the 2025 Act.</u>	
9C	<u>Responsible levy authority that is territorial authority</u>	
(1)	<u>This section applies if a levy is authorised in a circumstance other than that described in section 9A or 9B.</u>	30
	<u>Example 1</u>	
	<u>The levy is authorised for both water services infrastructure and another type of infrastructure.</u>	
	<u>Example 2</u>	35
	<u>The levy is authorised only for infrastructure that is not water services infrastructure.</u>	

Example 3

The levy is authorised only for water services infrastructure, but a territorial authority is responsible for the water services provided by that infrastructure.

Example 4

The levy is authorised only for water services infrastructure that is, or will be, used to provide water services for which a water organisation is responsible under the Local Government (Auckland Council) Act 2009 or the Local Government (Water Services) Act 2025, but the territorial authority and the water organisation have agreed that the territorial authority will be the responsible levy authority for the purposes of a levy order.

- (2) The **responsible levy authority** or **RLA**, in relation to the levy area, is—
- (a) the territorial authority for the district in which the levy area is located; or
 - (b) if the levy area is located in more than 1 district, each territorial authority in whose district any part of the levy area is located.
- (3) For the purposes of **subsection (2)(b)**, each RLA's responsibility under this Act relates only to the part of the levy area that is in the territorial authority's district.

8 Section 10A inserted (What is developed land)

After section 10, insert:

10A What is developed land

- (1) In this section,—
- parcel A** means a parcel of land in a levy area that meets the requirements in **subsection (2)**
- parcel B** means ~~a larger parcel of land in a levy area~~ 1 or more parcels of land from which parcel A has been subdivided.
- (2) In order to be considered as **developed land** for purposes of this Act, parcel A must—
- (a) be of a size specified in the levy order; and
 - (b) have been subdivided from parcel B; and
 - (c) have its own record of title that has been issued after a date specified in the levy order; and
 - (d) have been transferred by way of sale to a third-party buyer.

9 Section 11 amended (Meaning of protected Māori land)

- (1) Replace section 11(1)(h) with:
- (h) General land that—
 - (i) ceased to have the status of Maori freehold land under—

- (A) an order of the Māori Land Court made on or after 1 July 1993; or
- (B) Part 1 of the Maori Affairs Amendment Act 1967; and
- (ii) is owned beneficially by—
- (A) the person or persons who beneficially owned the land immediately before the land ceased to be Maori freehold land (**class A**); or
- (B) the successors of class A who are members of the preferred classes of alienees:
- (2) In section 11(2), definition of **Crown body**, paragraph (b), delete “, as defined in section 2 of the State-Owned Enterprises Act 1986”.
- (3) In section 11(2), insert in their appropriate alphabetical order:
- General land** has the same meaning as in section 4 of Te Ture Whenua Maori Act 1993
- preferred classes of alienees** has the same meaning as in section 4 of Te Ture Whenua Maori Act 1993
- (4) In section 11(2), repeal the definition of **General land owned by Maori**.
- 10 Section 15 amended (How Local Government (Rating) Act 2002 applies to this Act)**
- In section 15(2)(a)(i), replace “a responsible levy authority” with “an RLA that is a territorial authority”.
- 11 Section 18 replaced (Content of levy proposal)**
- Replace section 18 with:
- 18 Content of levy proposal**
- (1) A levy proposal for the authorisation of a levy must include the following information:
- (a) if consent is required under section 24 to include protected Māori land in the proposed levy area, details of any protected Māori land in the proposed levy area:
- (b) if consent is not required under section 24 to include protected Māori land in the proposed levy area,—
- (i) the estimated proportion of the proposed levy area that is protected Māori land; and
- (ii) the estimated proportion of protected Māori land that is not leviable land under section 36:
- (ba) details of any consultation undertaken, including with affected landowners, iwi, or hapū:

- (e) either—
- (i) ~~the proposed responsible infrastructure authority or authorities; or~~
 - (ii) ~~if the eligible infrastructure is not proposed to be vested in a responsible infrastructure authority or authorities, the person who will own the eligible infrastructure:~~ 5
- (c) the proposed responsible infrastructure authority or authorities (if any):
- (ca) to the extent that the eligible infrastructure is not proposed to be vested in a responsible infrastructure authority, the person who owns, or will own, the eligible infrastructure:
- (d) the proposed RLA or RLAs: 10
 - (e) if the proposed RLA is a territorial authority, examples of expected assessments for a representative range of rating units:
 - (f) if the proposed RLA is a water organisation, examples of expected assessments for a representative range of properties and Māori land:
 - (g) the content that is required to be included in a levy order under sections 31 to **33A**: 15
 - (h) any of the matters set out in section 34 that are relevant to the levy proposal:
 - (i) all other information necessary to enable the recommender to assess the levy proposal. 20
- (2) For the purposes of **subsection (1)(b)**, estimates of the proportion of protected Māori land in the proposed levy area ~~must~~ may be based solely on information readily available in the rating information database.
- 18A Eligible infrastructure to which levy proposal relates**
- (1) The levy proposal must include the proposed eligible infrastructure. 25
 - (2) The new or upgraded infrastructure described in section 8(2) may—
 - (a) be not yet constructed when the levy proposal is submitted; or
 - (b) have been completed up to 2 years before the levy proposal is submitted.
- 12 Section 20 amended (Infrastructure endorsement)**
- (1) In section 20(1), replace “may endorse” with “must endorse”. 30
 - (2) After section 20(4), insert:
 - (5) ~~This section does not apply if—~~
 - (a) ~~the proposed responsible infrastructure authority is the levy proposer; or~~
 - (b) ~~the levy proposal specifies that the eligible infrastructure is not proposed to be vested in a responsible infrastructure authority.~~ 35
 - (5) This section does not apply—

- (a) to the extent that the eligible infrastructure is not proposed to be vested in a responsible infrastructure authority; or
- (b) if the proposed responsible infrastructure authority is the levy proposer.

13 Section 21 replaced (Levy endorsement)

Replace section 21 with:

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21 Levy endorsement

- (1) A proposed RLA that is a territorial authority must endorse the ~~proposal proposed~~ levy unless the RLA can demonstrate that the proposed levy will compromise its ability to collect rates during the proposed levy period.
- (2) ~~A proposed RLA that is a water organisation must endorse the proposed levy unless the RLA can demonstrate that the proposed levy will compromise its ability to collect charges under section 86 or 89 of the Local Government (Water Services) Act 2025 during the proposed levy period.~~ 10
- (2) A proposed RLA that is a water organisation must endorse the proposed levy unless— 15
 - (a) it can demonstrate that the proposed levy will compromise its ability to collect charges under section 86 or 89 of the Local Government (Water Services) Act 2025 during the proposed levy period; or
 - (b) if the proposed RLA is an Auckland water organisation, it can demonstrate that the proposed levy will compromise its ability to collect charges from its customers during the proposed levy period. 20
- (3) The proposed RLA may give a levy endorsement on request by the proposer, a person acting on behalf of the proposer, or the recommender.
- (4) The proposed RLA may specify as a condition of the levy endorsement that levy collection costs be included in the levy order as an eligible cost. 25
- (5) This section does not apply if the proposed RLA is the levy proposer.

14 Section 24 amended (Consent to include protected Māori land)

After section 24(2), insert:

- (3) However, the consent of the owners of protected Māori land is not required under this section if the proposed levy area is expected to encompass 5,000 or more leviable properties over the levy period. 30
- (4) In this section, **leviable property**, in relation to an RLA that is a water organisation, means any property or Māori land that is leviable.

15 Section 25 amended (Recommendation)

- (1) Replace section 25(1)(a) and (b) with: 35
 - (a) endorsements under sections 20 and 21 (if required); and
 - (b) consent under section 24 (if required).

- (2) In section 25(2)(a), replace “section 27(4)(a) to (g)” with “**section 27(5)(a)**”.
- (3) After section 25(2)(a), insert:
 - (aa) the matters set out in **section 27(5)(b) and (c)**, unless **section 27A** applies; and

16 Section 26 amended (Recommendation report) 5

- (1) Replace section 26(2) with:
- (2) A report under this section must contain—
 - (a) the recommender’s assessment of the proposal against—
 - (i) the matters set out in **section 27(5)(a), (7), and (8)**; and
 - (ii) the matters set out in **section 27(5)(b) and (c)**, unless **section 27A** applies; and 10
 - (iii) all other matters of practicality, efficiency, and equity that the recommender believes may assist the responsible Minister’s consideration of the levy proposal; and
 - (b) the recommender’s recommendation about whether the proposed levy should be authorised. 15
- (2) In section 26(3)(b), replace “the notifications” with “any notifications”.
- (3) In section 26(3)(c), after “section 24(2)”, insert “(if required)”.

17 Section 27 replaced (Responsible Minister may recommend levy order to Governor-General in Council) 20

Replace section 27 with:

- ### **27 Responsible Minister may recommend levy order to Governor-General in Council**
- (1) The responsible Minister may recommend to the Governor-General in Council that a levy order be made only if the responsible Minister is satisfied that authorising the proposed levy is appropriate— 25
 - (a) after taking into account the matters set out in **subsection (5)** as required; and
 - (b) in accordance with **subsections (7) and (8)**.
 - (2) The responsible Minister— 30
 - (a) may recommend that a levy order be made only after receiving a recommendation report that includes—
 - (i) endorsements under sections 20 and 21 (if required); and
 - (ii) consent under section 24 (if required); but
 - (b) is not required to accept the recommendation in the recommendation report. 35

- (3) The responsible Minister may only recommend the levy on the terms set out in the levy proposal.
- (4) Despite **subsection (3)**, if, when the responsible Minister recommends to the Governor-General that a levy order be made, the financing conditions related to the levy are better than anticipated in the levy proposal, the Minister may recommend a levy that specifies a lesser amount of maximum levy revenue and intended annual levy than set out in the levy proposal. 5
- (5) The responsible Minister must take only the following matters into account:
- (a) whether the levy proposal is consistent with the purpose of this Act:
 - (b) the long-term interests of levypayers over the levy period: 10
 - (c) the affordability of the levy for levypayers and the sustainability of its payment by them over the ~~levy period~~: levy period, including the cumulative effect of—
 - (i) rates; and
 - (ii) any existing levies; and 15
 - (iii) any water services charges (as set under the Local Government (Water Services) Act 2025 or by an Auckland water organisation):
 - (d) all other matters of practicality, efficiency, and equity that the responsible Minister considers relevant.
- (6) However, the Minister is not required to take the matters in **subsection (5)(b) and (c)** into account if **section 27A** applies. 20
- (7) The responsible Minister may recommend that a levy order apply section 99 only if satisfied that the exercise by a responsible SPV of the powers referred to in section 99(2) is reasonably necessary to complete the construction of the relevant eligible infrastructure. 25
- (8) The responsible Minister may recommend that a levy order apply either or both of the limits in section 142 only if satisfied that the recommendation is not likely to unfairly prejudice any creditor of the responsible SPV in the relevant circumstances.
- 27A When analysis is not required of long-term interests, affordability, and sustainability of payment** 30
- (1) In this section, **matters** means matters under **section 27(5)(b) and (c)**.
- (2) The recommender and the Minister are not required to take the matters into account in relation to land in the levy area that is owned by the levy proposer on the date of the levy proposal. 35
- (3) ~~If land in the levy area is owned or purchased by others, the recommender and the Minister are not required to take the matters into account in relation to that land if—~~
- (a) ~~all of the owners have provided written support for the levy:~~

(b) all of the buyers who have entered into agreements to purchase the land, even if the land has not yet been transferred to them, have provided written support for the levy.	
(3) Subsection (4) applies to land in the levy area that is, on the date of the levy proposal,—	5
(a) owned by persons other than the levy proposer; or	
(b) subject to an agreement for a third party to purchase the land, but whose ownership has not yet been transferred to the third party.	
(4) The recommender and the Minister are not required to take the matters into account if—	10
(a) all of the owners of the land have provided written support for the levy; and	
(b) all of the purchasers who have entered into agreements to purchase the land, but have not yet had ownership transferred to them, have provided written support for the levy.	15
18 Section 28 repealed (Consultation)	
Repeal section 28.	
19 Section 30 amended (Monitor publishes recommender’s report)	
In section 30, insert as subsection (2):	
(2) However, the monitor is not required to publish information in the recommender’s report that could properly be withheld under the Official Information Act 1982 if a request were made for the information under this Act.	20
20 New section 30A inserted (Monitor publishes levy proposal)	
After section 30, insert:	
30A Monitor publishes levy proposal	25
(1) If a levy order is made, the monitor must publish the levy proposal.	
(2) However, the monitor is not required to publish information in the levy proposal that could properly be withheld under the Official Information Act 1982 if a request were made for the information under this Act.	
21 Section 31 amended (Content of levy order)	30
(1) In section 31(1)(b), delete “that is to be constructed”.	
(2) In section 31(4)(a), replace “sections 32 and 33” with “sections 32 to 33A (as applicable)”.	
22 Section 32 amended (Setting levy: leviable land)	
(1) In the heading to section 32, after “leviable land”, insert “if RLA is territorial authority”.	35

(2) Before section 32(1), insert:

(1AAA) This section applies if the RLA is a territorial authority.

(3) Replace section 32(2) with:

(2) If subsection (1)(b) applies, the levy order must identify the categories of leviable land in terms of 1 or more of the following: 5

(a) any 1 or more of the matters listed in Schedule 2 of the Local Government (Rating) Act 2002, as modified by subsection (3) and with all other necessary modifications:

(b) whether the land is developed or undeveloped:

(c) the floor area of buildings within a rating unit: 10

(d) the average floor area of buildings per separately used or inhabited parts of a rating unit.

(2A) A category of leviable land may be identified under **subsection (2)** at a fixed point in time.

23 New section 32A inserted (Setting levy: leviable land if RLA is water organisation) 15

After section 32, insert:

32A Setting levy: leviable land if RLA is water organisation

(1) This section applies if the RLA is a water organisation.

(2) The levy order may authorise a levy to be set for all leviable land in the levy area— 20

(a) on a uniform basis; or

(b) differentially for 2 or more different categories of leviable land.

(3) ~~If **subsection (2)(b)** applies, the levy order must identify the categories of leviable land in terms of the provision or availability to the land of 1 of the following provided by, or to be provided by, the RLA using eligible infrastructure:~~ 25

~~(a) water supply services:~~

~~(b) stormwater services:~~

~~(c) wastewater services, including trade waste services.~~

(3) If **subsection (2)(b)** applies, the levy order must identify the categories of leviable land that are defined in terms of 1 or more of the matters listed in Schedule 2 of the Local Government (Rating) Act 2002, as modified by **subsection (3A)** and with all other necessary modifications. 30

(3A) Item 5 of Schedule 2 of the Local Government (Rating) Act 2002 applies as if it referred to the provision or availability to the land of 1 or more of the following services provided, or to be provided, by the RLA using eligible infrastructure: 35

- (a) water supply services:
- (b) stormwater services:
- (c) wastewater services, including trade waste services.
- (4) In this section,—
- stormwater services** has the same meaning as in section 4 of the Local Government (Water Services) Act 2025 5
- trade waste services** has the same meaning as in section 86(7) of the Local Government (Water Services) Act 2025
- wastewater services** has the same meaning as in section 4 of the Local Government (Water Services) Act 2025 10
- water supply service** has the same meaning as in section 4 of the Local Government (Water Services) Act 2025.
- 24 Section 33 amended (Setting levy: factors to be used in assessing liability)**
- (1) In the heading to section 33, replace “**factors to be used in assessing liability**” with “**assessing liability if RLA is territorial authority**”. 15
- (2) Before section 33(1), insert:
- (1AAA) This section applies if the RLA is a territorial authority.
- (3) After section 33(2), insert:
- (2A) Despite subsection (2), to the extent that the levy order relates to water services infrastructure, the levy order may provide that liability for the levy is to be assessed by using 1 or more of the methods specified in section 19(2) or 19AA of the Local Government (Rating) Act 2002. 20
- (4) Replace section 33(3) with:
- (3) Despite subsections (2) and **(2A)**, the levy order may provide for the calculation of the liability for the levy as a fixed amount per rating unit. 25
- 25 New section 33A inserted (Setting levy: assessing liability if RLA is water organisation)**
- After section 33, insert:
- 33A Setting levy: assessing liability if RLA is water organisation**
- (1) This section applies if the RLA is a water organisation. 30
- (2) The levy order must set out how liability for the levy is to be assessed for a property or Māori land.
- (3) The levy order must identify 1 or more of the methods for calculating a charge under section 86 of the Local Government (Water Services) Act 2025 that is, or are, to be used to assess liability for the levy. 35

- (4) If the levy is set differentially under **section 32A(2)(b)**, the levy order does not have to require a levy to be assessed using the same methods for each category of land.
- (5) **Subsection (3)** applies to an Auckland water organisation despite section 84 of the Local Government (Water Services) Act 2025.

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26 Section 34 amended (Additional content of levy order)

- (1) Replace section 34(h) with:

- (h) set out any parameters or conditions of a levy remission policy; and
- (i) set out any parameters or conditions of a levy postponement policy; and
- (j) specify the size of a parcel of land in order for it to be considered developed land for purposes of the levy order and **section 10A(2)(a)**; and
- (k) specify the date after which a record of title must be issued for it to be considered developed land for purposes of the levy order and **section 10A(2)(c)**; and
- (l) specify 1 or more factors that must be used to determine when a development (towards which IFF funding has been applied) has failed, for example,—
 - (i) the developer being declared insolvent; or
 - (ii) the developer abandoning plans to progress the land development; and
- (m) impose further conditions and requirements on any SPV relating to the matters authorised to be contained in a levy order by this Act or to further support duties imposed on the SPV by this Act.

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- (2) In section 34, insert as subsection (2):

- (2) If a levy order specifies 1 or more factors under **subsection (1)(l)**, the levy order must specify how proceeds from the sale of undeveloped land are to be applied.

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27 Section 37 amended (Who must pay levy)

After section 37(3), insert:

- (4) This section does not apply if the RLA is a water organisation.

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28 New section 37A inserted (Who must pay levy if RLA is water organisation)

After section 37, insert:

37A Who must pay levy if RLA is water organisation

- (1) If the RLA is a water organisation, the persons specified in sections 94 and 95 96 of the Local Government (Water Services) Act 2025 (the **2025 Act**) are liable to pay all of the levy that is due on a property or Māori land.

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- (2) However, the liability of trustees of Māori land is limited in accordance with ~~section 96 of the Local Government (Water Services) Act 2025~~ section 98 of the 2025 Act.
- (3) Sections 94, 96, and 98 of the 2025 Act apply for the purposes of this section—
- (a) as if a reference to water services charges included a reference to a levy;
- and
- (b) with all other necessary modifications.

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29 Section 38 amended (When levy payment must be made)

In section 38, insert as subsections (2) and (3):

- (2) ~~However, if the RLA is a water organisation, the levy must be paid, and instalments of the levy must be paid, on the dates determined under section 86 of the Local Government (Water Services) Act 2025 for the payment of water services charges.~~
- (2) However, if the RLA is a water organisation, the levy must be paid, and instalments of the levy must be paid,—
- (a) on the dates determined under section 86 of the Local Government (Water Services) Act 2025 for the payment of water services charges; or
- (b) if the RLA is an Auckland water organisation, on the dates determined by the Auckland water organisation for the payment of water services charges.
- (3) This section does not apply to a levy that is payable under **section 38A.**

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30 New sections 38A and 38B inserted

After section 38, insert:

38A One-off charge on development

- (1) The levy order may defer levy liability for 1 or more parcels of leviable land within the levy area until an event or events specified in the levy order have occurred.
- (2) When the event or events have occurred for, or in relation to, the parcel or parcels of leviable land, the responsible SPV must notify the RLA of—
- (a) the date by which the levy must be paid; and
- (b) the amount of the levy that must be paid.
- (3) The levy must be paid in 1 payment.
- (4) If the levy is paid, no further liability for the levy will apply to the parcel or parcels of leviable land for which the levy was paid.

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38B One-off charge on portion of levy liability

- (1) The levy order may assess liability for a portion of a levy at the time of an event or events specified in the levy order.

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- (2) When the event or events have occurred, the responsible SPV must notify the RLA of—
- (a) the date by which the portion of the levy must be paid; and
 - (b) the amount of the levy that must be paid.
- (3) The portion of the levy must be paid in 1 payment. 5
- (4) If the portion of the levy is paid, no further liability for that portion of the levy may be assessed.

31 Section 39 amended (Levy period)

Replace section 39(1) with:

- (1) The levy period specified in a levy order must— 10
- (a) be at least 1 year; and
 - (b) not exceed 50 years.

32 Section 40 amended (Annual levy)

In section 40(4), replace “responsible levy authority by 10 May” with “RLA by 30 June”. 15

33 Section 41 replaced (Rating information needed by SPV)

Replace section 41 with:

41 Information needed by SPV

- (1) An RLA that is a territorial authority must give to a responsible SPV all rating information from the RLA’s rating information database that the responsible SPV reasonably requests in order to set annual levy. 20
- (2) An RLA that is a water organisation must give to a responsible SPV all relevant information from the RLA’s records that the responsible SPV reasonably requests in order to set the annual levy.

34 Section 42 amended (Proposed annual levy resolution) 25

- (1) Replace section 42(2) with:

- (2) A proposed annual levy resolution must contain information that is sufficient to enable—
- (a) an RLA that is a territorial authority to correctly assess the levy on all rating units in the levy area that are subject to the levy; or 30
 - (b) an RLA that is a water organisation to correctly assess the levy on all properties and Māori land in the levy area that are subject to the levy.

- (2) In section 42(3), replace “the factor or factors to be used in the assessment” with “how the levy liability will be assessed”.

35 Section 49 amended (Monitor directs resolution)

In section 49(2)(b), replace “10 May” with “30 June”.

36 Section 51 amended (Responsible SPV may correct annual levy resolution)

(1) Replace section 51(1)(b) with:

- (b) correcting the levy will not increase the amount of the levy assessed—
 - (i) for any rating unit or separate rating area, if the RLA is a territorial authority:
 - (ii) for any property or Māori land, if the RLA is a water organisation.

(2) In section 51(4)(a), replace “responsible levy authority” with “RLA that is a territorial authority”.

(3) After section 51(4), insert:

(4A) If correcting the annual levy results in a change to the amount of levy to be assessed for any property or Māori land, the RLA that is a water organisation must correct the levy-related information in the account for the property or Māori land as soon as practicable.

37 Part 3 heading amended

In the Part 3 heading, after “levy”, insert “when RLA is territorial authority”.

38 Section 53 amended (Outline of this Part)

(1) In section 53(1), after “administered”, insert “when the RLA is a territorial authority”.

(2) In section 53(2), replace “a levy and sets out modifications to the Local Government (Rating) Act 2002 that apply throughout this Part” with “the levy”.

(3) In section 53(3), replace “the responsible levy authority administers a levy” with “the RLA administers the levy”.

39 New section 53A inserted (Application of this Part)

After section 53, insert:

53A Application of this Part

This Part applies if a levy order specifies that a levy is to be administered by an RLA that is a territorial authority.

40 Section 59 replaced (Invalidity of levy not ground for refusal to pay levy)

Replace section 59 with:

59 Invalidity of levy not ground for refusal to pay levy

(1) A person must not refuse to pay a levy on the ground that the levy is invalid unless the person brings proceedings to challenge the validity of the levy.

- (2) Proceedings under **subsection (1)** may only be brought on the ground that the responsible SPV or the RLA that is a territorial authority is not empowered to set or assess the levy on the particular rating unit or separate rating area.

41 New section 60A and cross-heading inserted

After section 60, insert:

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Information sharing between water organisations and RLAs

60A Water organisation to give information to RLA

A water organisation must give to an RLA that is a territorial authority (**B**) all necessary information that B reasonably requests to enable B to administer a levy relating to water services infrastructure within B's district.

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42 Section 76 replaced (Levy remission and levy postponement policies)

Replace section 76 with:

76 Levy remission and levy postponement policies

- (1) The responsible SPV and the RLA that is a territorial authority must take all reasonable steps to agree on the terms of a levy remission policy and a levy postponement policy for the purposes of this Act.
- (2) A levy remission policy and a levy postponement policy must be consistent with any parameters or conditions, or both, specified in the levy order.
- (3) If it is not inconsistent with any parameters or conditions specified in the levy order,—
- (a) a levy remission policy may provide that there is to be no remission of levy;
- (b) a levy postponement policy may provide that there is to be no postponement of the requirement to pay a levy.
- (4) A levy remission policy must not contain any provision in relation to development contributions or financial contributions previously received by the RLA (*see* sections 94 to **95A**).
- (5) The responsible SPV must give a copy of its levy remission policy and levy postponement policy to—
- (a) the monitor; and
- (b) the RLA.
- (6) The monitor must publish the policies.
- (7) The RLA must also publish the policies.

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43 Section 80 replaced (Recovery under Local Government (Rating) Act 2002)

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Replace section 80 with:

80	Recovery under Local Government (Rating) Act 2002	
(1)	The RLA that is a territorial authority may recover unpaid levy under sections 61, 62, 75A, 75B , 75C , 83A, 83B, and 84 of the Local Government (Rating) Act 2002.	
(2)	Despite section 75A(2) of the Local Government (Rating) Act 2002, the RLA may not take recovery action under sections 67 to 71 of that Act for an unpaid levy on protected Māori land.	5
44	Section 82 replaced (Recovery action generally)	
	Replace section 82 with:	
82	Responsible SPV may take recovery action in relation to unpaid levy	10
(1)	The responsible SPV may take recovery action under Part 3 of the Local Government (Rating) Act 2002 (the 2002 Act) in relation to an unpaid levy if—	
(a)	the RLA that is a territorial authority informs the SPV under section 57(2)(a) that the RLA will not recover that unpaid levy; or	
(b)	the unpaid levy remains unpaid for 4 months after the due date for payment.	15
(2)	Sections 61 to 74, 75B to 76, 84, and 96 of the 2002 Act apply to the responsible SPV, except—	
(a)	section 63(1) of the 2002 Act is to be read as if it authorised proceedings to be commenced under section 82(1)(a) or (b) of this Act; and	20
(b)	the SPV may not take recovery action under sections 67 to 71 of the 2002 Act for an unpaid levy on protected Māori land.	
82A	Responsible SPV to notify recovery action taken	
	If the responsible SPV takes recovery action under section 82(1)(a) or (b) , it must notify the following within 10 working days after making the decision to commence the action:	25
(a)	the RLA that is a territorial authority:	
(b)	the monitor.	
45	Section 83 repealed (Legal proceedings to recover levy)	
	Repeal section 83.	30
46	Section 84 repealed (Application of proceeds of rating sale or lease that involves levy)	
	Repeal section 84.	
47	New Part 3A inserted	
	After section 86, insert:	35

Part 3A

Administration of levy when RLA is water organisation

86A Outline of this Part

- (1) This Part describes how a levy that is authorised under a levy order is administered when the RLA is a water organisation. 5
- (2) **Subpart 1** provides for who is responsible for administering the levy.
- (3) **Subpart 2** describes how the RLA administers the levy on behalf of the responsible SPV, including by recovering an unpaid levy.
- (4) **Subpart 3** describes how the responsible SPV recovers an unpaid levy in specified circumstances. 10

86B Application of this Part

This Part applies if a levy order specifies that a levy is to be administered by an RLA that is a water organisation.

Subpart 1—Who administers levy

86C Who administers levy under this Part

- (1) The responsible SPV is authorised to administer a levy that is authorised by a levy order. 15
- (2) However, the RLA that is a water organisation must administer the levy on behalf of the responsible SPV in accordance with—
 - (a) the levy order; and
 - (b) **subpart 2**; and
 - (c) a levy administration agreement entered into with the responsible SPV. 20

86D Levy administration agreement between RLA that is water organisation and SPV

- (1) The RLA that is a water organisation and the responsible SPV must take all reasonable steps to enter into a levy administration agreement under which the RLA will administer a levy on behalf of the responsible SPV, including by assessing and collecting the levy and recovering unpaid levy. 25
- (2) The agreement must be consistent with this Part.

86E When agreement not reached between RLA that is water organisation and SPV

- (1) If the RLA that is a water organisation and the responsible SPV cannot agree on all terms of a levy administration agreement, they must refer the issue to the monitor. 30

(2)	The monitor must determine all outstanding terms of the agreement within 20 working days.	
(3)	The terms of the agreement are—	
(a)	as agreed between the parties, to the extent that they are agreed; and	
(b)	otherwise, as determined by the monitor.	5
86F	When RLA that is water organisation is not required to recover unpaid levy	
(1)	This section applies if—	
(a)	there is an amount of levy unpaid for a property or Māori land; and	
(b)	water services charges set under section 86 of the Local Government (Water Services) Act 2025, <u>or charges set by an Auckland water organisation</u> , for that property or Māori land have been paid.	10
(2)	The RLA that is a water organisation—	
(a)	may notify the responsible SPV that the authority will not recover the unpaid levy; and	15
(b)	on notifying the responsible SPV under paragraph (a) , is not required to recover that unpaid levy on behalf of the SPV.	
86G	Invalidity of levy not ground for refusal to pay levy to RLA that is water organisation or SPV	
(1)	A person must not refuse to pay a levy on the ground that the levy is invalid unless the person brings proceedings to challenge the validity of the levy.	20
(2)	Proceedings under subsection (1) may only be brought on the ground that the RLA that is a water organisation or the responsible SPV is not empowered to set or assess the levy on the particular property or Māori land.	
	Subpart 2—RLA that is water organisation administers levy	25
	<i>Levy proceeds paid to responsible SPV</i>	
86H	Levy collected by RLA that is water organisation to be paid to <u>responsible SPV</u>	
(1)	The RLA that is a water organisation must pay to the responsible SPV all levy revenue collected, and all unpaid levies recovered, by the RLA that the RLA collects, and all unpaid levies that the RLA recovers, on behalf of the SPV under this subpart.	30
(2)	However, that obligation is subject to the terms of the levy administration agreement between the RLA and the SPV.	

*Sharing of information***86I Territorial authority to give rating information to RLA that is water organisation**

- (1) A territorial authority (A) must give to an RLA that is a water organisation (B) all rating information from A's rating information database that B reasonably requests to enable B to administer a levy relating to water services infrastructure within A's district. 5
- (2) A must notify B of any corrections that A makes in the rating information database to the information provided to B.

86J Rating information that may not be withheld

- (1) This section applies to a territorial authority that— 10
- (a) has removed particulars from its rating information database under section 28C(3) of the Local Government (Rating) Act 2002; and
 - (b) has not restored the particulars under section 28C(4) of that Act.
- (2) The territorial authority— 15
- (a) must provide, if requested by an RLA that is a water organisation, information that the territorial authority holds but has been removed from the database; and
 - (b) may not withhold any particulars that remain removed from its rating information database under section 28C(3) of the Local Government (Rating) Act 2002. 20
- (3) The RLA may make the request to enable it to administer a levy relating to water services infrastructure within the territorial authority's district.

86K Responsible SPV to give levy-related information to RLA that is water organisation

The responsible SPV must give to the RLA that is a water organisation all levy-related information that is necessary to enable the RLA to administer the levy. 25

86KA RLA that is water organisation to give territorial authority information for purposes of land information memoranda

- (1) This section is for the purposes of a territorial authority issuing a land information memorandum under the Local Government Official Information and Meetings Act 1987. 30
- (2) The RLA that is a water organisation must give to the territorial authority information about— 35
- (a) the levy period; and
 - (b) how liability for the levy is assessed; and

- (c) amounts of any unpaid levy.

Correction of errors and recovery of additional levy

86L Correction of errors by RLA that is water organisation

The RLA that is a water organisation may correct an error in levy-related information in its records.

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86LA Amended levy assessment if error is corrected

- (1) The RLA that is a water organisation may issue an amended levy assessment if an error in its records is corrected under **section 86L**.

- (2) If the amended levy assessment is for an amount that is less than the amount originally assessed and the amended levy assessment is issued within 5 years of the original levy assessment, the RLA must refund the excess amount to the levypayer.

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- (3) If the amended levy assessment is for an amount that is more than the amount originally assessed and the amended levy assessment is issued in the same financial year as the original levy assessment, the levypayer is liable to pay the additional amount.

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Levy assessment and invoicing

86M Assessment of levy liability by RLA that is water organisation

- (1) An RLA that is a water organisation must assess the levy to be paid by a levypayer—

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- (a) in accordance with the levy order; and
(b) on the basis of the following information:
(i) the annual levy resolution for the levy year;
(ii) levy-related information in its records.

- (2) The levy liability of a property or Māori land is not affected by a change to any of the methods used to assess liability for the levy (as identified under **section 33A(3)**) in relation to the property or Māori land during the levy year for which the levy is assessed.

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86N Levy assessment notified to levypayer by RLA that is water organisation

- (1) ~~An RLA that is a water organisation must give to a levypayer in the levy area notice of the levypayer's liability for a levy on a property or Māori land—~~

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- ~~(a) by including it in an assessment of charges that have been set under section 86 of the Local Government (Water Services) Act 2025; or
(b) as a separate notice of assessment, by agreement with the responsible SPV.~~

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- (2) ~~A levypayer is liable for the levy on the property or Māori land when the RLA delivers the notice of levy liability to the levypayer.~~

86N Levy assessment notified to levypayer by RLA that is water organisation

- (1) An RLA that is a water organisation must notify a levypayer in the levy area of the levypayer's liability for a levy on a property or Māori land. 5

- (2) The RLA must notify the levypayer—

- (a) in the same manner—

- (i) as it has determined to provide an assessment of charges set under section 86 of the Local Government (Water Services) Act 2025; or

- (ii) if the RLA is an Auckland water organisation, as it provides an assessment of charges to its customers; or 10

- (b) in a different manner, by agreement with the responsible SPV.

- (3) A levypayer is liable for the levy on the property or Māori land when notified by the RLA under this section.

86O Information to be included in levy assessment by RLA that is water organisation 15

- (1) This section sets out the levy liability information that the RLA that is a water organisation must include in a levy assessment.

- (2) ~~The RLA must include the information in a levy assessment that it would include in an assessment of charges set under section 86 of the Local Government (Water Services) Act 2025.~~ 20

- (2) The RLA must include sufficient information in the levy assessment to enable the levypayer to reasonably understand the basis for the amount of the assessed levy.

86P Levy invoice delivered by RLA that is water organisation 25

- (1) The RLA that is a water organisation must deliver to a levypayer a levy invoice for a period for which levy payment is due.

- (2) The RLA may deliver the levy invoice—

- (a) ~~by including it with an invoice for other charges set under section 86 of the Local Government (Water Services) Act 2025; or~~ 30

- (a) by including it with—

- (i) an invoice for other charges set under section 86 of the Local Government (Water Services) Act 2025; or

- (ii) if the RLA is an Auckland water organisation, an invoice for water charges issued by the organisation; or 35

- (b) as a separate invoice, by agreement with the responsible SPV.

- (3) A levy invoice must include the name and address of the responsible SPV.

- (4) The RLA must ensure that an invoice for other charges under the Local Government (Water Services) Act 2025, or for other charges issued by an Auckland water organisation, clearly distinguishes a levy from other charges.

Penalties

86Q Penalties imposed for unpaid levy by RLA that is water organisation 5

- (1) The RLA that is a water organisation may, by resolution of its board, add penalties to levies that are not paid by the due date.
- (2) ~~The RLA must, by resolution,~~ resolution must state—
- (a) how the penalty is calculated; and
 - (b) how frequently the penalty may be imposed (for example, monthly or quarterly); and 10
 - (c) the date on which the penalty is to be added to the amount of the unpaid levy by reference to the due date (for example, each month after the due date or each quarter after the due date).
- (3) The resolution must be made not later than the date on which the RLA sets charges under section 86 of the Local Government (Water Services) Act 2025 for the financial year. 15
- (3A) However, if the RLA is an Auckland water organisation,—
- (a) it may add penalties to levies that are not paid by the due date by following the same process as it would use to impose penalties on its customers for unpaid water charges; and 20
 - (b) it must provide levypayers with the information set out in **subsection (2)(a) to (c)**; and
 - (c) **subsection (3)** does not apply to the organisation.
- (4) A penalty must not exceed,— 25
- (a) in the year after the due date, 21% of the amount of the unpaid levy; and
 - (b) in the first 6 months after the due date, 10% of the amount of the unpaid levy.
- (5) For the purposes of **subsection (4)**, the **amount of the unpaid levy** includes— 30
- (a) the amount of the levy that is unpaid; and
 - (b) the amount of any penalties that have previously been added to the levy and remain unpaid.

*Remission and postponement of levy***86R Levy remission and levy postponement policies agreed between RLA that is water organisation and SPV**

- (1) The responsible SPV and the RLA that is a water organisation must take all reasonable steps to agree on the terms of a levy remission policy and a levy postponement policy for the purposes of this Act. 5
- (2) A levy remission policy and a levy postponement policy must be consistent with any parameters or conditions, or both, specified in the levy order.
- (3) If it is not inconsistent with any parameters or conditions specified in the levy order,— 10
 - (a) a levy remission policy may provide that there is to be no remission of levy:
 - (b) a levy postponement policy may provide that there is to be no postponement of the requirement to pay a levy.
- (4) A levy remission policy must not contain any provision in relation to development contributions or financial contributions previously received by the RLA (see sections 94 to **95A**). 15
- (5) The responsible SPV must give a copy of its levy remission policy and levy postponement policy to— 20
 - (a) the monitor; and
 - (b) the RLA.
- (6) The monitor must publish the policies.
- (7) The RLA must also publish the policies.

86S Remission of levy by RLA that is water organisation

- (1) The RLA that is a water organisation must remit all or part of the levy on a property or Māori land in accordance with the levy remission policy agreed under this subpart (unless the policy does not allow remission). 25
- (2) The RLA must give notice to the levypayer identifying the remitted levy.
- (3) The RLA must record the remitted levy— 30
 - (a) in its records for the property or Māori land as paid on the due date; and
 - (b) in accounting documents as paid by the responsible SPV on behalf of the levypayer in accordance with the relevant objective in the remission policy.

86T RLA that is water organisation must postpone requirement to pay levy

- (1) The RLA that is a water organisation must postpone the requirement to pay all or part of the levy on a property or Māori land in accordance with the levy 35

postponement policy agreed under this subpart (unless the policy does not allow postponement).

- (2) The RLA must give notice to the levypayer—
- (a) identifying the postponed levy; and
 - (b) stating when, or in which circumstances, the levy will become payable. 5

Recovery of unpaid levy by RLA

86U RLA that is water organisation may recover levy

An RLA that is a water organisation may commence proceedings in any court of competent jurisdiction to recover as a debt due a levy that remains unpaid.

Subpart 3—Responsible SPV may recover unpaid levy 10

86V SPV may commence legal proceedings to recover levy administered under this Part

- (1) This section applies—
- (a) to a levy that is administered by an RLA that is a water organisation; and
 - (b) whether or not the RLA informs the responsible SPV under **section 86F** that the RLA will not recover that unpaid levy. 15
- (2) A responsible SPV may commence proceedings in any court of competent jurisdiction to recover as a debt due the levy that remains unpaid for 4 months after the due date for payment.
- (3) If the responsible SPV commences proceedings, it must notify— 20
- (a) the RLA referred to in **subsection (1)**; and
 - (b) the monitor.

86W SPV to be given information for purpose of legal proceedings

The RLA that is a water organisation must make available to the responsible SPV all information necessary to enable the SPV to recover an unpaid levy under **section 86V**. 25

48 Section 90 amended (Eligible infrastructure vested in responsible infrastructure authority)

- (1) Replace section 90(2) with:
- (2) If the responsible infrastructure authority gave an endorsement under section 20, the agreement must include all specified conditions required by the authority under section 20(4), other than any condition that the authority modifies or waives. 30

- (2) After section 90(3), insert:

Exclusion to vesting requirement

- (4) A vesting agreement is not required under subsection (1)—
- (a) if the levy order specifies that a person other than a responsible infrastructure authority will own the eligible infrastructure ~~upon~~ on its completion; or
 - (aa) if the levy order specifies that the responsible infrastructure authority is responsible for constructing the eligible infrastructure and will own the eligible infrastructure on its completion; or
 - (b) if—
 - (i) the levy order specifies that the responsible SPV is not responsible for constructing the eligible infrastructure; and
 - (ii) the responsible SPV does not own the eligible infrastructure at any point before or on its completion.

49 Section 91 amended (Excess levy at end of levy period)

- (1) In section 91(1) and (3), replace “responsible levy authority” with “RLA”.
- (2) In section 91(2), replace “responsible levy authority” with “RLA that is a territorial authority”.
- (3) After section 91(2), insert:

- (2A) If the total amount of excess levy is equal to or greater than the excess levy threshold under section 92 at the end of the levy period, the RLA that is a water organisation must—
- (a) credit the record of each affected property or Māori land with the amount that reflects the amount of excess levy; and
 - (b) in apportioning the amount to be credited to each record, apply the same method that was most recently used to assess levypayers’ levy liability under the levy order.

50 Section 92 amended (Excess levy threshold)

- (1) In section 92(1), replace “\$50” with “\$63”.
- (2) In section 92(2), replace “before the start of each levy year after the commencement of this Act” with “before 1 July in each year”.

51 Section 93 amended (Responsible SPV may assign uncollected levy to responsible levy authority)

- (1) In the heading to section 93, replace “responsible levy authority” with “RLA”.
- (2) In section 93(1), replace “responsible levy authority under which the SPV assigns to the authority” with “RLA under which the SPV assigns to the RLA”.

(3) In section 93(2), after “entered”, insert “with the RLA that is a territorial authority”.

(4) After section 93(2), insert:

(2A) If an agreement is entered with the RLA that is a water organisation, the relevant provisions of the Local Government (Water Services) Act 2025 apply to the collection and recovery of the uncollected levy in the same way that they apply in relation to charges under that Act.

52 Section 94 amended (Application and interpretation)

(1) In section 94(1), replace “sections 95 to 98 apply if the responsible levy authority” with “sections 95 and **95A** apply if the RLA”.

(2) Replace section 94(2) with:

(2) In this section and sections 95 and **95A**, **previous contribution** means 1 or more of the following:

(a) a development contribution under subpart 5 of Part 8 of the Local Government Act 2002 in relation to any eligible infrastructure (or any infrastructure that includes eligible infrastructure):

(b) a financial contribution that was a condition under section 108(2)(a) of the Resource Management Act 1991 on the grant of a resource consent in relation to any eligible infrastructure (or any infrastructure that includes eligible infrastructure):

(c) a development contribution under subpart 2 of Part 3 of the Local Government (Water Services) Act 2025 in relation to any eligible infrastructure that is water services infrastructure:

(d) a development contribution collected by the territorial authority that has been transferred to the water organisation in relation to any eligible infrastructure that is water services infrastructure:

(e) financial contributions collected under the Resource Management Act 1991 that a territorial authority has transferred to the water organisation in relation to any eligible infrastructure that is water services infrastructure.

53 Section 95 amended (Responsible levy authority to inform responsible SPV about previous contributions)

(1) In the heading to section 95, replace “**Responsible levy authority**” with “**RLA**”.

(2) In section 95(1) and (2), replace “responsible levy authority” with “RLA”.

(3) After section 95(2)(c), insert:

(d) identify the amounts or proportions of each contribution that relate to the costs of the construction of eligible infrastructure; and

- (e) identify the specific type of costs of the construction of eligible infrastructure to which contributions relate.

54 New section 95A inserted (Levy and previous contribution to fund different portions of costs of construction in order to be authorised as eligible costs) 5

After section 95, insert:

- 95A Levy and previous contribution to fund different portions of costs of construction in order to be authorised as eligible costs**
- (1) Eligible costs may include the costs of the construction of eligible infrastructure that are also being funded from a previous contribution if the levy and the previous contribution fund different portions of the costs of the construction of the eligible infrastructure. 10
- (2) If an amount of a previous contribution (an **amount**) relates to a portion of the costs of the construction of eligible infrastructure that is to be funded by a levy, the responsible SPV must ensure that— 15
- (a) the RLA confirms—
- (i) the amount; and
- (ii) that the amount is allocated towards that portion of the costs; and
- (b) the IFF funding that is allocated towards the costs of the construction of the eligible infrastructure is reduced by that amount. 20
- (3) The responsible SPV must notify the monitor that the IFF funding has been reduced.

55 Section 96 repealed (Responsible SPV may direct responsible levy authority to transfer previous contributions and remit levies)

Repeal section 96. 25

56 Section 97 repealed (Responsible levy authority must refund or return previous contributions if no direction)

Repeal section 97.

57 Section 98 repealed (Sections 209 and 210 of Local Government Act 2002 do not apply to those previous contributions) 30

Repeal section 98.

58 New subpart 2A of Part 4 inserted

After section 98, insert:

Subpart 2A—Accelerated recovery of IFF funding when development has failed

98A Interpretation

In this subpart, unless the context otherwise requires,—

~~**development** means a development for which a landowner has received IFF funding from a responsible SPV towards the costs of the construction of eligible infrastructure~~

development means a development for which IFF funding has been provided by a responsible SPV towards the costs of the construction of eligible infrastructure

landowner means the person that owns the land in relation to which the development has failed.

98B Application

This subpart applies—

- (a) to land other than protected Māori land; and
- (b) to the extent that a levy order identifies the categories of leviable land in terms of whether the land is developed or undeveloped land under **section 32(2)(b)**; and
- (c) if a levy order specifies 1 or more factors that must be used to determine when a land development has failed (see **section 34(1)(l)**).

98C SPV may issue notice of repayment when development has failed

- (1) ~~This section applies if a levy order specifies 1 or more factors that must be used to determine when a land development has failed (see **section 34(1)(l)**).~~

- (1) This section applies if a responsible SPV is satisfied that a land development has failed according to 1 or more of the factors for failure set out in the levy order.

- (2) ~~If a responsible SPV is satisfied that 1 or more of the factors apply, the~~ The responsible SPV may issue a written notice to the landowner to demand repayment of—

- (a) repayment of the IFF funding that relates to the undeveloped land in the levy area, as calculated in accordance with **section 98D**; and

- (b) ~~the financing costs of any unpaid levies in relation to the undeveloped land in the levy area.~~

- (b) payment of the costs (the **associated costs**) that will be incurred by the responsible SPV in connection with—

- (i) the repayment of the IFF funding;

- (ii) the cancellation of the levy in relation to the undeveloped land;

(iii) financing associated with the repayment or cancellation.

- (3) The notice must state that the responsible SPV will ~~apply to a Registrar of the High Court to have the IFF funding and financing costs of any unpaid levies recovered through the sale of the undeveloped land, commence proceedings in the court to recover the amounts set out in~~ **subsection (2)** unless, not later than 20 working days after the landowner receives the notice, the landowner pays to the responsible SPV the amounts specified in the notice. 5
- (4) The notice must be served in one of the ways specified in section 69 of the Local Government (Rating) Act 2002. 10
- (5) The responsible SPV must provide a copy of the notice to the monitor. 10

98D Formula for repayment of IFF funding that relates to undeveloped land

A demand under **section 98C(2)(a)** for repayment of the IFF funding must be made in accordance with the following formula:

$$r = (a \times b) \div c$$

where—

- r is the amount to be repaid 15
- a is the amount of IFF funding that the responsible SPV has provided to the landowner towards the costs of the construction of eligible infrastructure, less the amount of the levy paid to the responsible SPV in relation to the undeveloped land 20
- b ~~is the geographic area~~ is the number of square metres of undeveloped land owned by the relevant landowner in the levy area in which the development has failed 20
- c is the total number of square metres of land in the levy area. 25

98DA Legal proceedings to recover IFF funding and associated costs 25

- (1) This section applies if the landowner does not pay, in full, the amounts set out in the notice under **section 98C** within 20 working days after receiving the notice.
- (2) The responsible SPV may commence proceedings in the court to recover as a debt due the amounts set out in the notice. 30

98DB Registration of charging order for judgment for IFF funding and associated costs

- (1) Despite rule 17.52 of the High Court Rules 2016, a charging order issued under rule 17.41 or 17.42 for a judgment for IFF funding and associated costs, and registered against the undeveloped land under rule 17.48, continues in force until a memorandum of satisfaction is registered under rule 17.51. 35
- (2) The Limitation Act 2010 applies to **subsection (1).**

- (3) If a charging order for a judgment is registered against undeveloped land, the landowner must not register a dealing against the land without the consent of the responsible SPV.

98E SPV may apply to Registrar for sale of undeveloped land

- (1) This section applies if the landowner does not ~~make the payment in full~~ satisfy a judgment for IFF funding and associated costs (including interest) within 20 working days after ~~receiving the notice under~~ **section 98C** the date of the judgment. 5
- (2) The responsible SPV may apply, in accordance with **subsection (3)**, to a Registrar of the High Court to have the ~~IFF funding and the financing costs of any unpaid levies recovered~~ judgment enforced through the sale of the undeveloped land. 10
- (3) The responsible SPV must forward to the Registrar—
- (a) a certificate, signed and dated by ~~the chief executive officer~~ a director of the responsible SPV, stating the following: 15
 - (i) ~~the amount of IFF funding that is required to be repaid to the responsible SPV;~~
 - (i) the date of the judgment;
 - (ii) ~~the amount of the financing costs of any unpaid levies in relation to the undeveloped land in the levy area~~ judgment given against the landowner; 20
 - (iii) the name and contact details of the landowner;
 - (iv) the address of the undeveloped land that is subject to the application and the legal description and location of the land; and
 - (b) ~~an affidavit of service to prove that the application is being made at least 20 working days after the landowner received the notice under~~ **section 98C**; and 25
 - (c) the application fee as fixed by regulations made under section 156 of the Senior Courts Act 2016.

98F Sale of undeveloped land

- (1) After receiving the certificate, ~~affidavit~~, and application fee required under **section 98E**, the Registrar must give notice to all persons who the Registrar believes have an interest in the undeveloped land. 30
- (2) The Registrar's notice must state that—
- (a) the Registrar has received an application for the sale of undeveloped land; and 35
 - (aa) the undeveloped land is subject to a judgment for IFF funding and associated costs; and

(b)	the undeveloped land will be sold unless, within 10 working days after the date of the <u>Registrar's</u> notice, payments are made to the High Court of—	
(i)	the amount of the IFF funding that is required to be repaid as outlined in the responsible SPV's notice of repayment; and	5
(i)	<u>the amount of the judgment (including interest); and</u>	
(ii)	the amount of the financing costs of any unpaid levies that is required to be repaid as outlined in the responsible SPV's notice of repayment; and	
(iii)	any disbursements incurred related to the sale process.	10
(3)	The Registrar's notice must be served in one of the ways set out in section 69 of the Local Government (Rating) Act 2002.	
(4)	If all of the amounts set out in subsection (2)(b) have not been paid within 10 working days after the date of the Registrar's notice, the Registrar may proceed to sell the undeveloped land in accordance with sections 98G to 98N .	15
98G	How sale must be conducted	
(1)	A sale to which section 98F applies must be by public auction or public tender.	
(2)	Without limiting the powers of a Registrar, the Registrar may—	
(a)	place a reserve on the undeveloped land; or	20
(b)	refuse any tender; or	
(c)	bid for and buy the undeveloped land at the auction; or	
(d)	put the undeveloped land up for sale as often as may be required until it is sold.	
(3)	The purchaser of the undeveloped land is the highest bidder at the auction or the highest tenderer, as the case may be, if—	25
(a)	the bid equals or exceeds the amount required to repay the IFF funding that relates to the undeveloped land and any disbursements incurred; and	
(b)	the highest bidder or tenderer has complied with all conditions precedent (if any) that are set by the Registrar.	30
(3)	<u>The purchaser of the undeveloped land is the highest bidder at the auction or the highest tenderer, as the case may be, if the highest bidder or tenderer has complied with all conditions precedent (if any) that are set by the Registrar.</u>	
(4)	Subsection (3) is subject to any rights reserved by the Registrar under subsection (2) .	35
98H	Further powers and duties of Registrar	
(1)	Despite section 98G , if the Registrar has placed a reserve on the undeveloped land and the land is not sold by public auction or public tender, the Registrar	

	may, with the consent of the responsible SPV, sell the land by private treaty for any consideration that the Registrar thinks reasonable.	
(2)	The Registrar may include covenants and conditions that the Registrar considers fair and equitable.	
98I	Execution of documents for sale	5
(1)	In the case of a sale made under section 98G or 98H , when the purchase price has been fully paid, the Registrar must—	
(a)	execute, under the seal of the High Court, a memorandum of transfer on behalf of the landowner whose interest has been sold; and	
(b)	note on the transfer that the undeveloped land has been sold under this Act.	10
(2)	When the transfer has been executed, the purchaser is entitled to obtain possession of the purchased undeveloped land.	
98J	Presumption of valid sale	
(1)	A sale made under section 98G or 98H is valid for all purposes, even if there has been an irregularity in the conduct of the sale.	15
(2)	No purchaser is obliged to inquire whether the sale was properly conducted.	
98K	Application of balance of proceeds	
(1)	After the proceeds of a sale of undeveloped land have been applied as specified in the levy order, the Registrar must pay the balance (if any) to Public Trust.	20
(2)	Public Trust, on the order of the High Court (which may be made by motion in Chambers), must pay the balance to those persons who are entitled to it, together with interest.	
98L	Certain sections do not apply to transaction under this subpart	
	Sections 80 and 82 do not apply to the recovery of financing costs of unpaid levies that have been recovered under this subpart.	25
98M	No further levies may be charged	
	If a responsible SPV has recovered the IFF funding from the landowner under this subpart, no further levies may be charged under the levy order referred to in section 98C(1) in relation to the undeveloped land to which the recovery relates.	30
98N	Reduction of maximum levy revenue when funding recovered for undeveloped land	
(1)	If the responsible SPV has recovered the IFF funding for the undeveloped land under this subpart, the responsible SPV must—	35
(a)	exclude the area of undeveloped land from the levy area; and	

(b) reduce the maximum levy revenue by the amount of IFF funding recovered for the undeveloped land.	
(2) The maximum levy revenue must be reduced under subsection (1)(b) by reducing either or both of the following:	
(a) the levy period:	5
(b) the amount of the levy set in later levy years.	
(3) The responsible SPV must notify the monitor of the changes to the levy area and maximum levy revenue.	
(4) The monitor must publish a notice of the changes to the levy area and the maximum levy revenue no later than 5 working days after being notified of the changes by the responsible SPV.	10
59 Section 99 amended (Power to construct eligible infrastructure on private land)	
After section 99(2), insert:	
(3) If a responsible SPV exercises the powers of a local authority or territorial authority under section 181 of the Local Government Act 2002 in relation to protected Māori land in the levy area,—	15
(a) it must in all cases obtain the prior written consent of the owner of that land to the construction of the work; and	
(b) section 181(3)(b) of that Act does not apply.	20
60 Section 120 amended (Monitor must publish information)	
Replace section 120(1) with:	
(1) The monitor must publish general information about the levy scheme established by this Act to enhance public understanding of—	
(a) how a levy order applies to a levy area; and	25
(b) how levy liability applies—	
(i) to rating units; or	
(ii) if the RLA is a water organisation, to a property or Māori land.	
61 Section 121 amended (Information and assistance)	
(1) Replace section 121(1) with:	30
(1) The monitor may direct a responsible SPV or an RLA to give the monitor any information or other assistance that the monitor considers to be reasonably necessary for the performance of the monitor's functions and duties and the exercise of the monitor's powers under this Act.	
(1A) In relation to an RLA that is a territorial authority, information under subsection (1) includes all information requested by the monitor from the RLA's rating information database and rates records.	35

- (2) In section 121(2), replace “authority” with “RLA”.
- 62 Section 157 amended (Responsible levy authority may delegate)**
- (1) In the heading to section 157, replace “**Responsible levy authority**” with “**RLA**”.
- (2) In section 157, replace “A responsible levy authority” with “An RLA”. 5
- (3) In section 157, insert as subsection (2):
- (2) This section applies to an RLA that is a territorial authority.
- 63 Schedule 1 amended**
- In Schedule 1,—
- (a) insert the Part set out in **Schedule 1** of this Act as the last Part; and 10
- (b) make all necessary consequential amendments.
- 64 Minor and consequential amendments to principal Act**
- Amend the principal Act as set out in **Schedule 2**.
- 65 Consequential amendments to Local Government (Water Services) Act 2025** 15
- Amend the Local Government (Water Services) Act 2025 as set out in **Schedule 3**.

Part 2

Amendments to other legislation

- Subpart 1—Amendments to Local Government (Rating) Act 2002 20
- 66 Principal Act**
- This subpart amends the Local Government (Rating) Act 2002.
- 67 Section 75 amended (Application of proceeds of rating sale or lease)**
- In section 75, insert as subsection (2):
- (2) However, this section is subject to **sections 75B and 75C** if there is any unpaid levy owing under the Infrastructure Funding and Financing Act 2020. 25
- 68 Section 75A amended (Unpaid levy under Infrastructure Funding and Financing Act 2020)**
- (1) In section 75A(3), replace “Section 75B applies” with “**Sections 75B and 75C** apply”. 30
- (2) In section 75A(4), replace “section 75B” with “**sections 75B and 75C**”.

69 Section 75B replaced (Application of proceeds of rating sale or lease that involves levy)

Replace section 75B with:

75B Application of proceeds of rating sale or lease that involves levy

- (1) This section applies if both rates and a levy are owed, regardless of whether the proceedings relate to both rates and a levy. 5
- (2) The proceeds of a sale or lease under section 70 or 71 must be applied in the following order:
 - (a) the Registrar's fee (unless the fee has already been paid):
 - (b) the judgment, and any interest, costs, and disbursements, and any other unsatisfied judgment for rates or levy for the same rating unit, with any interest, costs, and disbursements: 10
 - (c) any other rates or levy due at the date of the sale or lease of the same rating unit, whether or not those rates are, or that levy is, still recoverable under section 65: 15
 - (d) any encumbrance on the rating unit:
 - (e) any other unsatisfied judgment for rates or levy on other rating units in the district (if the person against whom the judgment is entered is the ratepayer or levypayer of other rating units), with any interest, costs, and disbursements: 20
 - (f) any other rates or levy due at the date of the sale or lease for other rating units owned by that person, whether or not the other rates are, or the other levy is, outside the period of limitation specified in section 65.
- (3) **Subsection (2)(c)** includes, in the case of a lease, the rates (if any) that are or become due, or the levy (if any) that is or becomes due, on the unit from the person on whose behalf the unit was leased while the Registrar received rents from it. 25

75C Application of proceeds of rating sale or lease when there are insufficient proceeds

Section 75B(2)(b) or (e) 30

- (1) **Subsection (2)** applies if the proceeds of the sale or lease are insufficient to apply to the judgments referred to in **section 75B(2)(b) or (e)**.
- (2) The proceeds must be applied in proportion to each judgment (plus interest, costs, and disbursements) referred to in the applicable paragraph.

Section 75B(2)(c) or (f) 35

- (3) **Subsection (4)** applies if the proceeds of the sale or lease are insufficient to apply to the rates or levy referred to in **section 75B(2)(c) or (f)**.

- (4) The proceeds must be applied in proportion to the outstanding amounts of rates or levies referred to in the applicable paragraph.

70 Section 83B amended (Application of proceeds of sale or lease)

In section 83B(1), replace “Sections 75B and 76” with “Sections **75B** to 76”.

71 ~~Schedule 1AA amended~~

5

~~In Schedule 1AA,—~~

- ~~(a) insert the Part set out in **Schedule 4** of this Act as the last Part; and~~
- ~~(b) make all necessary consequential amendments.~~

Subpart 2—Amendments to High Court Fees Regulations 2013

72 Principal regulations

10

This subpart amends the High Court Fees Regulations 2013.

73 Schedule amended

Amend the Schedule as set out in **Schedule 5** of this Act.

Schedule 1
New Part 2 inserted into Schedule 1 of Infrastructure Funding and
Financing Act 2020

s 63

	Part 2	5
	Provisions relating to Infrastructure Funding and Financing Amendment Act 2025	
2	Interpretation	
	In this Part,—	
	amendment Act means the Infrastructure Funding and Financing Amendment Act 2025	10
	commencement means the commencement of the amendment Act.	
3	Application of amendment Act to existing levy orders	
(1)	This clause applies to the following levy orders:	
	(aaa) <u>Infrastructure Funding and Financing (Te Awa Lakes Project Levy) Order 2026:</u>	15
	(a) Infrastructure Funding and Financing (Wellington Sludge Minimisation Facility Levy) Order 2023:	
	(b) Infrastructure Funding and Financing (Western Bay of Plenty Transport System Plan Levy) Order 2022.	20
(2)	This Act, as amended by the amendment Act, applies to the levy orders on and after commencement.	
(3)	For the purposes of the levy orders, the RLA is a territorial authority.	
4	Amendment Act does not apply to existing levy proposals	
(1)	In this clause,— an existing levy proposal means a levy proposal submitted before commencement that—	25
	(a) has not been assessed before commencement by the recommender; or	
	(b) has been assessed by the recommender but no decision has been taken by the Minister before commencement on whether to recommend a levy order under section 27 to the Governor-General in Council; or	30
	(c) has been recommended by the Minister to the Governor-General in Council and no decision has been taken before commencement whether to make a levy order under section 29.	
(2)	The amendment Act does not apply to the existing levy proposal.	

5 ~~Legal proceedings initiated by RLA~~

~~**Section 43** of the amendment Act applies only to legal proceedings that are brought on or after commencement.~~

6 ~~Legal proceedings initiated by SPV~~

~~**Sections 44 to 46** of the amendment Act apply only to legal proceedings that are brought on or after commencement.~~

5

Schedule 2

Minor and consequential amendments to Infrastructure Funding and Financing Act 2020

s 64

Section 4	5
In section 4(3), after “administered”, insert “when the RLA is a territorial authority”.	
After section 4(3), insert:	
(3A) Part 3A describes how and by whom a levy is administered when the RLA is a water organisation.	
Section 9	10
In section 9(5)(a) and (b), replace “a responsible levy authority” with “an RLA”.	
Section 22	
In section 22(a), replace “responsible levy authority” with “RLA”.	
In section 22(b), replace “authority” with “responsible infrastructure authority or the RLA”.	
	15
Section 23	
In section 23, replace “responsible levy authority” with “RLA”.	
Section 45	
In section 45(2), replace “responsible levy authority” with “RLA”.	
Section 52	20
In section 52(1), replace “section 34(b)” with “ section 34(1)(b) ”.	
Section 54	
In the heading to section 54, after “levy”, insert “ under this Part ”.	
In section 54(2), replace “responsible levy authority” with “RLA that is a territorial authority”.	
	25
Section 55	
In section 55(1),—	
(a)	replace “The responsible levy authority and the responsible SPV” with “The RLA that is a territorial authority and the responsible SPV”; and
(b)	replace “the responsible levy authority will” with “the RLA will”.
	30

Section 56

In section 56(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 57

In section 57(2), replace “The responsible levy authority” with “The RLA that is a territorial authority”. 5

In section 57(2)(a), replace “the authority” with “the RLA”.

Subpart 2 heading in Part 3

In Part 3, in the subpart 2 heading, replace “Responsible levy authority” with “RLA that is territorial authority”. 10

Section 60

In section 60(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

In section 60(1) and (2), replace “the authority” with “the RLA” in each place.

Section 61 15

In section 61(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 62

In section 62(4)(b), replace “responsible levy authority” with “RLA that is a territorial authority”. 20

In section 62(4)(c) and (6), replace “responsible levy authority” with “RLA”.

Section 63

In the heading to section 63, replace “**responsible levy authority**” with “**RLA**”.

In section 63, replace “responsible levy authority” with “RLA that is a territorial authority”. 25

In section 63(a), replace “the authority” with “the RLA”.

In section 63(b), replace “authority’s” with “RLA’s”.

Section 65

In section 65(1), replace “responsible levy authority” with “RLA that is a territorial authority”. 30

In section 65(4), (5)(a), and (6), replace “the responsible levy authority” with “the RLA” in each place.

Section 66

In section 66, replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 67

In section 67(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 68

In section 68(1), replace “A responsible levy authority” with “An RLA that is a territorial authority”.

In section 68(1)(b)(ii), replace “the authority’s” with “the RLA’s”. 10

Section 69

In the heading to section 69, replace “responsible levy authority” with “RLA”.

In section 69, replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 70

15

In section 70(1), replace “A responsible levy authority” with “An RLA that is a territorial authority”.

In section 70(2), replace “responsible levy authority” with “RLA”.

Section 71

In section 71(1), replace “responsible levy authority” with “RLA that is a territorial authority”. 20

Section 72

In section 72(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

In section 72(2) and (4), replace “The authority” with “The RLA”. 25

Section 74

In section 74(2), replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 75

In section 75(1), replace “responsible levy authority” with “RLA that is a territorial authority”. 30

In section 75(2), replace “the authority” with “the RLA”.

Section 77

In section 77(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

In section 77(1B), replace “responsible levy authority” with “RLA”.

Section 78

5

In section 78(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

In section 78(1), after “section 76”, insert “(unless the policy does not allow remission)”.

In section 78(2) and (3), replace “The authority” with “The RLA”. 10

Section 79

Section 79(1), replace “responsible levy authority” with “RLA that is a territorial authority”.

In section 79(1), after “section 76”, insert “(unless the policy does not allow postponement)”. 15

In section 79(2), replace “The authority” with “The RLA”.

Section 79A

In section 79A(1)(b), replace “responsible levy authority” with “RLA that is a territorial authority”.

In section 79A(2), replace “responsible levy authority” with “RLA”. 20

Section 81

In section 81, replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 86

In the heading to section 86, replace “**Responsible levy authority**” with “**RLA**”. 25

In section 86, replace “responsible levy authority” with “RLA that is a territorial authority”.

Section 87

After section 87(3), insert:

(3A) **Subpart 2A** provides for accelerated recovery of IFF funding, and the ~~financing costs of unpaid levies~~ associated costs, when a land development has failed. 30

Section 99

In section 99(1), replace “section 34(g)(i)” with “**section 34(1)(g)(i)**”.

Section 100

In section 100(1), replace “section 34(g)(ii)” with “**section 34(1)(g)(ii)**”.

Section 114

In the heading to section 114, replace “**responsible levy authority**” with “**RLA**”.

In section 114(1) and (2), replace “A responsible levy authority” with “An RLA”. 5

In section 114(3)(b), replace “the authority’s” with “the RLA’s”.

Section 122

In section 122(3), definition of **restricted change of control**, replace “section 34(e)” with “**section 34(1)(e)**”.

Section 142

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In section 142(1), replace “section 34(g)(iii)” with “**section 34(1)(g)(iii)**”.

Schedule 3

Consequential amendments to Local Government (Water Services) Act 2025

s 65

Local Government (Water Services) Act 2025 5

In section 4, insert in their appropriate alphabetical order:

eligible infrastructure has the same meaning as in section 8 of the Infrastructure Funding and Financing Act 2020

responsible infrastructure authority has the same meaning as in section 7 of the Infrastructure Funding and Financing Act 2020 10

responsible levy authority that is a water organisation or RLA that is a water organisation has the same meaning as in section 7 of the Infrastructure Funding and Financing Act 2020

In section 4, replace the definition of **water services activity** with:

water services activity— 15

(a) means a service or goods provided by, or on behalf of, a water service provider as part of providing water services in the provider's service area; and

(b) in subpart 2 of Part 3 (development contributions), also includes the construction of eligible infrastructure that has been, or is intended to be, transferred under section 90 of the Infrastructure Funding and Financing Act 2020 by a responsible SPV to a responsible infrastructure authority that is a water organisation 20

In section 109, insert in its appropriate alphabetical order:

capital expenditure includes any funding provided by an RLA that is a water organisation to contribute to the construction costs of eligible infrastructure that has been, or is intended to be, transferred under section 90 of the Infrastructure Funding and Financing Act 2020 to the water organisation (as a responsible infrastructure authority) 25

Replace section 112(3) with: 30

(3) Despite anything to the contrary, in subsection (2), **assets** includes—

(a) water services infrastructure and related assets transferred to the water organisation by a territorial authority; and

(b) eligible infrastructure that has been, or is intended to be, transferred under section 90 of the Infrastructure Funding and Financing Act 2020 by a responsible SPV to a responsible infrastructure authority that is a water organisation. 35

Local Government (Water Services) Act 2025—*continued*

After section 123(1)(d), insert:

- (e) if the asset is eligible infrastructure that has been, or is intended to be, transferred under section 90 of the Infrastructure Funding and Financing Act 2020 by a responsible SPV to a responsible infrastructure authority that is a water organisation, that proportion of the capital cost to be funded by a levy under that Act and from other sources.

5

Schedule 4

**New Part 3 inserted into Schedule 1AA of Local Government
(Rating) Act 2022**

s 74

Part 3

5

**Provisions relating to Infrastructure Funding and Financing
Amendment Act 2025**

7 Interpretation

In this Part,—

amendment Act means the Infrastructure Funding and Financing Amendment Act **2025**

10

commencement date means the date that the amendment Act commences.

8 Legal proceedings to recover rates and levies

Sections 67 to 69 of the amendment Act apply only to a legal proceeding that is brought on or after the commencement date.

15

9 Application for sale or lease of abandoned land

Section 70 of the amendment Act applies only to an application that is brought on or after the commencement date for the sale or lease of abandoned land.

Schedule 5

Schedule of High Court Fees Regulations 2013 amended

s 73

Note

In the Schedule, note, after the item relating to matters under Local Government (Rating) Act 2002, insert: 5

Applications under Infrastructure Funding and Financing Act 2020	Item 66A
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New item 66A

In the Schedule, after item 66, insert:

<i>Applications under Infrastructure Funding and Financing Act 2020</i>	66A	Application to Registrar under section 98E of the Infrastructure Funding and Financing Act 2020 to recover <u>enforce a judgment</u> through the sale of undeveloped land	\$1,078
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Legislative history

26 November 2025
9 December 2025

Introduction (Bill 231–1)
First reading and referral to Finance and Expenditure Committee