

# **RATES REMISSION & POSTPONEMENT POLICY**

## **INTRODUCTION**

In order to provide rates relief where it is considered fair and reasonable to do so, the Council is required to adopt policies specifying the circumstances under which rates can be considered for remission or postponement.

There are various types and circumstances under which a remission or postponement can be considered. The conditions and criteria relating to each type of remission or postponement are set out below, together with the objectives of the policy. This Policy is made of up the following seven parts:

- Part 1 Rates Remission on Māori Freehold Land
- Part 2 Rates Remission or Postponement for Business & Economic Development
- Part 3 Rates Remission for Land Subject to Natural Calamity
- Part 4 Rates Remission for Community, Sporting and Recreational Non-Commercial Use
- Part 5 Rates Remission for Penalties on Unpaid Rates
- Part 6 Rates Remission for Properties Affected by Weather Tightness Claims
- Part 7 Rates Remission for Residential Development in the Central Business District
- Part 8 Rates Postponement for Farm Land

## **STATUTORY FRAMEWORK**

This Policy is prepared in accordance with section 102(3), 109 and 110 of the Local Government Act 2002.

This Policy is also prepared in accordance with the Local Government (Rating) Act 2002, where all land is rateable unless specified in this Act or another Act states that land is non-rateable. Non-rateable land is still liable to pay targeted rate for water supply, sewage disposal, or refuse collection.

## **APPLICATION OF POLICY**

In order for an application to be considered, all applications must be in writing and must include the relevant supporting information as outlined in each type of remission or postponement.

Applications must be received prior to the commencement of the rating year (1 July – 30 June), unless stated. Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated.

Remissions or postponements are only applicable to ratepayers identified in the Council's rating information database not the occupant of the property.

Remissions or postponements are limited to rates set and assessed by the Council. The Council collects rates on behalf of the Wellington Regional Council and therefore the Council has no authority to remit or postpone such rates other than by specific approval of that Council.

The approval of any remission or postponement is at the absolute discretion of the Council or its delegated officer.

## **PART 1 – REMISSION ON MAORI FREEHOLD LAND**

### **Policy objectives**

Objectives of this policy are to:

- support the use of the land by the owners for traditional purposes;
- recognise and support the relationship of Māori and their culture and traditions with their ancestral lands;
- avoid further alienation of Māori freehold land;
- facilitate the wish of the owners to develop the land for economic use
- recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere);
- recognise and take account of the importance of the land for community goals relating to: the preservation of the natural character of the coastal environment; the protection of outstanding natural features; and; the protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- recognise the level of community services provided to the land and its occupiers;
- recognise matters related to the physical accessibility of the land.

### **Conditions and criteria**

Under the Local Government (Rating) Act 2002 Māori freehold land is defined as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Only land that is the subject of such an order may qualify for remission under this policy. The Council may remit rates where the application meets the following conditions and criteria:

- a. the land is unoccupied and no income is derived from the use or occupation of that land;  
or
- b. the land is better set aside for non-use because of its natural features, or is unoccupied;  
or
- c. the land is inaccessible and/or is unoccupied;
- d. only a portion of the land is occupied;
- e. the land has limited use and/or economic value from its actual use.

### **Council's consideration**

The Council may give remission of up to 100% of all rates where the application meets the relevant policy objectives and conditions/criteria outlined in this policy.

Application for this remission should be made prior to commencement of the rating year.

The owners who have applications approved by the Council for remission should make contact with the Council immediately if the circumstance or a status of the land changes. All approved remissions will be subject to annual review or at least every 3 years to validate the remissions approved.

Applications made after the commencement of the rating year may be accepted at the discretion of the Council.

The Policy shall apply to owners of Māori freehold land who meet the relevant criteria as approved by the Chair of the Council Committee with responsibility for managing Council finances (at the time of adopting

this Policy this is the Chair of the City Direction Committee), and the General Manager Corporate Services & Chief Financial Officer.

The administration of this Policy may be sub-delegated to a Council officer as appropriate.

## **PART 2 – REMISSION OR POSTPONEMENT FOR BUSINESS AND ECONOMIC DEVELOPMENT**

### **Policy objective**

To promote economic development and new business investment within the City by offering rates remission to:

- encourage developments that assist new businesses to become established in the city, or
- encourage developments that assist existing businesses in the city to expand and grow.

### **Conditions and criteria**

To be eligible for remissions or postponement for business and economic development purposes, applications must meet all of the criteria in Part 1 (A) and Part 1 (B):

- Part 1 (A)
  - New commercial and/or industrial developments that involve the construction of any new building or buildings intended to be used for industrial, commercial or administrative purposes; or
  - Existing commercial and/or industrial developments that involve substantial alterations or renovations to the existing building or buildings intended to be used for industrial, commercial or administrative purposes.
- Part 1 (B)
  - The new investment must increase the rateable value of the rating unit (or units) on which the development takes place by not less than \$1 million per rateable unit.

### **Council's considerations**

Any rates remission or postponement covering the General rate, the Uniform Annual General Charge, and the City Development rate to any individual development granted is subject to:

- A maximum period of three financial years.
- The Council's final determination of the size and length of any remission or postponement. Generally it will not be of a size that results in an absolute reduction of the rates derived by the Council from the rating unit.
- Meeting the agreed conditions which the Council considers appropriate in relation to the approval of a remission or postponement. Failure to comply with such conditions may lead either to the suspension of the remission or postponement for a period to be determined by the Council, or termination of the remission or postponement, at the Council's discretion.

All applications will be submitted to the City Direction Committee for consideration and a decision on the level of remission/postponement.

# PART 3 – REMISSION FOR LAND SUBJECT TO NATURAL CALAMITY

## Policy objective

To assist property owners with rates relief where the use of the rating unit has been detrimentally affected by erosion, subsidence, submersion, fire or other natural calamity.

## Conditions and criteria

A rates remission of the base general rate may be granted to rating units that are:

- Used principally for residential purposes and are subject to one of the following: erosion; subsidence; submersion; fire; or other natural calamity that had the effect of rendering the residence uninhabitable or unusable, such as earthquake related.
- Uninhabitable or unusable for a period of greater than one month.

## Council’s considerations

To be considered for rates remission:

- Application must be made within 12 months of the event.
- Application must include the following supporting information: details of the property; the description of the natural calamity; steps taken or will be taking to return the rating unit to inhabitable or usable state; and; an estimate of the time the rating unit is expected to be affected.
- Up to 100% of all rates and charges including charges made for water and wastewater services may be remitted for the period during which the buildings are uninhabitable or unusable.

The Policy shall apply to owners of the property who meet the relevant criteria as approved by the Chair of the Council Committee with responsibility for managing Council finances (at the time of adopting this Policy this is the Chair of the City Direction Committee), and the General Manager Corporate Services & Chief Financial Officer.

The administration of this Policy may be sub-delegated to a Council officer as appropriate.

## **PART 4 – REMISSION FOR COMMUNITY, SPORTING AND RECREATIONAL NON-COMMERCIAL USE**

### **Policy objective**

To provide remission to:

- Facilitate the ongoing provision of non-commercial community services that meet the needs of the residents of the city;
- Support ongoing provision of non-commercial sporting and recreational opportunities for the residents of the city;
- Assist the organisations' survival
- Encourage membership of the organisations making them more accessible to the general public, particularly disadvantaged groups, such as children, youth, young families, aged people, and economically disadvantaged people.

### **Conditions and criteria**

To be eligible for rates remission for a proportion for the General rates, the rating unit must be:

- Used for educational purposes as defined in clause 6 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002; or
- Used for religious purposes as defined in clause 9 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002; or
- Land used as a marae or meeting house as defined in clauses 12 (a) and 13 of Part 1 of Schedule 1 of the Local Government (Rating) Act 2002; or
- Land owned or used for games or sports as defined in clause 2 of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, whether or not the land has a club licence under the Sale of Liquor Act 1989; or
- Land owned or used for the purpose of any branch of the arts as defined in clause 3 of Part 2 of the Local Government (Rating) Act 2002; or
- Land used primarily or exclusively for community health or public health purposes and occupied by a registered charitable trust or incorporated society; or
- Land used primarily or exclusively for youth work, support, education or development and occupied by a registered charitable trust or incorporated society; or
- Land occupied by a registered charitable trust or incorporated society and used primarily or exclusively for the gathering and assembly of people to promote community well-being. Examples include RSA clubs and associations that encourage people to recognise and retain ethnic, cultural or religious affiliations; or
- Land that, while not used primarily for any of the purposes above, is used primarily or exclusively for a combination of those purposes

To be eligible for rates remission for a proportion of the sewerage pan charges to the rating unit must:

- Be land used exclusively or principally for community, sporting and recreational non-commercial purposes
- Have a water meter connected to the property for a rating year prior to the year in which a remission is granted

### **Council's considerations**

- The Council may remit up to 50% of General rates for rating units that are used principally for community, sporting and recreational non-commercial purposes.
- Remissions for community or other non-commercial purposes will be assessed using the formula:

Actual Charge – Calculated Charge; where

Actual Charge = The actual charge for sewage disposal assessed against the rating unit, and

Calculated Charge = The annual water consumption for the rating unit (measured in cubic metres) for the previous financial year divided by 220m<sup>3</sup>, multiplied by the charge per pan set by the Council for the financial year in which rates assessed.

The Policy shall apply to an organisation who meets the relevant criteria as approved by the Chair of the Council Committee with responsibility for managing Council finances (at the time of adopting this Policy this is the Chair of the City Direction Committee), and the General Manager Corporate Services & Chief Financial Officer.

The administration of this Policy may be sub-delegated to a Council officer as appropriate.

## **PART 5 – REMISSION OF PENALTIES ADDED TO UNPAID RATES**

### **Policy objective**

To enable Council to act fairly and reasonably in its consideration of penalties on rates which have not been paid by the due date.

### **Conditions and criteria**

Remissions are limited to ratepayers who:

- Wishes to pay his or her rates at regular intervals that are different from the Council's instalment dates.
- Has fallen into arrears, the Council may remit or postpone penalties as part of a programme of agreed payments designed to eliminate the arrears over a reasonable timeframe.
- Occasionally, unusual circumstances arise which cause a ratepayer to be late with a payment. These can range from family problems to simple oversight. So long as such instances are once every 3 years.

### **Council's considerations**

To be considered for rates remission:

- Application for this remission should be within one month of notification of the penalty incurred.
- Applications must include the following supporting information: details of the property; and the reason for late payment.
- The Council reserves the right to impose conditions on the remission of penalties. Conditions may relate to: completion of agreed payment schedules; and; the taking of other actions needed to resolve ratepayer liability matters.
- Rates should be paid before penalty is remitted, or an agreed payment plan is in place (i.e. a direct debits set up).

The Policy shall apply to ratepayers who meet the relevant criteria as approved by the General Manager Corporate Services & Chief Financial Officer.

The administration of this Policy may be sub-delegated to a Council officer as appropriate.



## **PART 6 – RATES REMISSION FOR PROPERTIES AFFECTED BY WEATHERTIGHTNESS CLAIMS**

### **Policy objective**

To enable Council to provide remission for situations where properties are uninhabitable for period of time while the property is being repaired or rebuilt.

### **Conditions and criteria**

To be eligible for rates remission the applicant's property must be subject to:

- An approved weathertightness claim
- Be partially or fully uninhabitable for a period of longer than 1 month.
- Remission will only apply up to the point the Council issues the code of compliance certificate

### **Council's considerations**

Application must be made within 12 months of remedial work starting.

The amount of rates remission approved will be based on the non-land portion of the total value of the property.

The Policy shall apply to ratepayers who meet the relevant criteria as approved by the General Manager Corporate Services & Chief Financial Officer.

The administration of this Policy may be sub-delegated to a Council officer as appropriate.

## **PART 7 – RATES REMISSION FOR RESIDENTIAL DEVELOPMENT IN THE CENTRAL BUSINESS DISTRICT**

### **Policy objective**

To enable Council to provide rates remissions to encourage Residential Development in the Central Business District.

### **Conditions and criteria**

1. To qualify the development must:-
  - a. Include at least two residential units, each of at least 40m<sup>2</sup> of floor area
  - b. Meet basic quality and amenity standards for the residents
  - c. Meet the minimum standards for noise insulation to ensure appropriate indoor noise levels

### **Council's considerations**

The remission that is available for a qualifying development is a 100% waiver of General rates including Uniform Annual General Charges and the City Development rate for a period of five years from the time of uplifting a Building Code of Compliance Certificate.

All applications for rates remission for Residential Development in the Central Business District will be submitted to the City Direction Committee for consideration.

## PART 8 – RATES POSTPONEMENT FOR FARM LAND

### Policy objective

To preserve the City's rural landscapes by providing rates postponement for rateable units (or part of) that are principally used for farming purposes.

### Conditions and criteria

A rates postponement of the base general rate may be granted to rating units that are classified as rural under the District Plan and principally used for farming purpose. Under this policy "principally used for farming purposes" is defined as where:

- The rating unit is classified as rural under the District Plan and/or falls within the "Rural" differential rating classification; and;
- Principally used for farming purposes where land that is used exclusively or principally for agricultural, horticultural or pastoral purposes, or for the keeping of bees, poultry or other livestock excluding forestry, commercial dog kennels or catteries ; and;
- Has a land area of not less than 40 hectares.

### Council's considerations

Any rates postponement provided is subject to:

- The applicant paying the additional valuation fees the Council incurs in assessing the rates postponement value of the rating unit.
- The rating units meeting the above conditions and criteria.
- A maximum of 50% of the base general rate may be remitted.
- If at any time before the rates are postponed, subdivision for non-farming purposes occurs, or the land use is changed to a non-farming use, the postponement shall be nullified, and the rates assessed shall become due and payable.

The postponed rates shall be registered against the title of the rating unit by whatever legal instrument Council chooses and all costs of registration, subsequent de-registration and any other dealing with the title shall be entirely at the expense of the owner.

In each year the sum postponed shall be calculated as the difference between the rates that were assessed and the rates that would have been assessed had the rating unit not had some part of its value attributable to the potential use of the land for residential, industrial, commercial or other non-farming use.

Farmland rates are postponed after five years if a property is not subdivided, sold or changed to a non-farming use. Postponed farmland rates may be registered as a charge against the land so that in the event that the property is sold the Council has first call against the proceeds of that sale.

The Policy shall apply to owners of farm land who meet the relevant criteria as approved by the Chair of the Council Committee with responsibility for managing Council finances (at the time of adopting this Policy this is the Chair of the Finance Committee), and the General Manager Corporate Services & Chief Financial Officer.

The administration of this Policy may be sub-delegated to a Council officer as appropriate.