

# Rates Remissions Policy

## Introduction

Under Section 85 of the LG(R)A and Section 102 of the LGA, Council may adopt a Rates Remission Policy. Council will charge rates on all property according to its Funding Impact Statement (FIS) under the provisions of the LGA and LG(R)A. This Remissions Policy outlines any variations with the FIS and the reasons for each variation.

This Policy contains the following Remissions for:

- Charges on Contiguous Properties
- Charges on Non-Contiguous Properties
- Uninhabitable Dwellings or Properties affected by Natural Disaster
- Clubs and Societies
- Community Organisations
- QEII Covenants
- Council Properties
- New Subdivisions
- Land-Locked Land
- Penalties

## Applications

New applications for rates remissions must be received by Council for processing before 1 April to be applied to rates for the following financial year. *(Note: Council's financial year starts on 1 July and ends on 30 June each year. For example, to apply for rates to be remitted for the year starting 1 July 2010, the application must be received by Council before 1 April 2010.)*

Applicants will be informed, in writing, about the decision regarding the remission applied for, before the start of the new rating year. These administrative processes apply to all types of remissions under this Policy.

## Background

Section 109 of the LGA states:

### Rates Remissions Policy

- (1) A policy adopted under section 102(5)(a) must state:
- (a) the objectives sought to be achieved by the remission of rates; and
  - (b) the conditions and criteria to be met in order for rates to be remitted.

(2) In determining a policy under section 102(5)(a), the local authority may consider the matters set out in Schedule 11.

(3) For the purposes of this section, the term 'rates' includes penalties payable on unpaid rates.

Section 85 of the LG(R)A states:

### Remission of Rates

(1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if-

- (a) the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002.
- (b) the local authority is satisfied that the conditions and criteria in the policy are met.

(2) The local authority must give notice to the ratepayer identifying the remitted rates.

The following outlines the overall aims of Council's rates remissions policies.

### Long Term Goals

To assist in achieving Council's strategic goals in District development through the targeted remitting of rates.

Objectives	Targets and Measures
Remissions policies are linked to Council's strategic goals in Economic Development and Community Development.	The setting of rates remissions is in accordance with the provisions of the LG(R)A and LGA. Each rates remission policy contains the strategic outcomes targeted, objectives and criteria applicable. Policies are adopted under the Special Consultative Procedure. Remissions consistently apply to all properties within the stated category. If variations exist, these are disclosed, with the reasons for variation.

## Delegations for Remissions Policy

The Chief Executive and Group Manager Corporate Services, as per Council's Delegations Manual. Reports are provided to Council on rate remissions granted.

# Remissions of Charges on Contiguous Properties

## Definition

**Contiguous:** Sharing an edge or boundary; touching

## Objectives

- 1 This policy provides for the remissions of rates where two or more sets of targeted rates are set on rating units that are:
  - Contiguous.
  - Separately owned or occupied.
  - Used jointly for a single residential or farming use.
- 2 To assist rural economic development by removing unnecessary barriers to farm development in the same way as section 20 of the LG(R)A provides for contiguous properties.
- 3 To assist in good land management and improvement to visual amenity values in urban areas by enabling non-contiguous vacant sections to be managed by residents without being adversely impacted by paying multiple uniform charges.
- 4 To achieve better environmental outcomes, through assisting in weed and pest management, reduce urban fire and health risk, by reducing barriers to the more effective management of vacant areas of land.

## Principles

All ratepayers will pay at least one set of targeted rates.

This policy addresses land ownership and use situations that are in addition to the provisions of section 20 of the LG(R)

A dealing with contiguous properties. Remissions are to be granted to all properties eligible under the criteria.

This Policy targets Community Outcomes (CO) 22 and 40:

- CO 22 An environment that has an excellent quality of water, soil and air.
- CO 40 A district that promotes economic diversity and retains its core economic strengths of farming, forestry, tourism, and horticulture.

## Policy Criteria

- 1 The rating area must be contiguous.
- 2 The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each separately used or inhabited rating unit will attract a set of targeted rates. Any additional dwelling on the rating unit will attract a set of targeted rates.
- 3 The rating unit must:
  - (a) In the case of a urban property, be owned by the same ratepayer/s who uses the rating units jointly as a single residential property, or
  - (b) In the case of a rural property, be separately occupied by the same ratepayer/s who uses the rating units jointly for a single purpose. A declaration must be supplied to Council confirming that the rating units will be operated as a single enterprise.
- 4 The Council may on written application from a ratepayer of such rating units reduce or cancel any targeted rates set on the rating units if it considers it to be fair and reasonable to do so.

# Remissions of Charges on Non-Contiguous Properties

## Definition

**Non-contiguous:** Not sharing an edge or boundary; not touching.

## Objectives

This policy provides for the remissions of rates where two or more targeted rates are set on rating units that are:

- Non-contiguous.
- Separately owned or occupied.

## Principles

All ratepayers will pay at least one set of targeted rates.

Properties eligible under this policy shall be deemed to be one rating unit for the purposes of setting any uniform annual charge.

## Policy Criteria

### 1 *Farming Properties*

For the purposes of this policy, land used for farming purposes shall be defined as land used for horticulture or 'pasturage', being the business of feeding or grazing livestock. Eligible farming properties for this remission are those where:

- (a) The applicant is the owner/long-term lessee (not less than 10 years) of more than one separately rateable rural farm property and that one or more of those properties are used for farming purposes; and
- (b) The properties concerned are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- (c) The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- (d) That the property for which the remission is sought is not occupied by a habitable dwelling.

### 2

### *Urban Properties*

Properties within townships which this remission apply to are those where:

- (a) The applicant is the owner/long-term lessee (not less than 10 years) of more than one separately rateable urban property that is not contiguous; and
- (b) The property for which the remission is sought has a land value not exceeding \$50,000 and does not carry improvements exceeding \$2,000 in value and is not occupied by a dwelling.
- (c) The properties are within the same township.

# Uninhabitable Dwellings or Properties Affected by Natural Disaster

## Objectives

To allow Council to provide rates relief for uninhabitable dwellings or properties that have been detrimentally affected by natural disasters such as, but not limited to, erosion, subsidence, instability or being flood-prone.

## Principles

This Policy outlines Council's criteria for providing rates relief on uninhabitable dwellings or properties affected by natural disaster.

## Policy Criteria

### 1. Uninhabitable Dwellings

- (a) A dwelling must be uninhabitable for humans.
- (b) A dwelling to be classed as uninhabitable will consume no power, water, sewerage, refuse collection or similar services.
- (c) Its primary use is for a different and verifiable purpose other than human habitation, i.e storage shed.

### 2. Properties Affected by Natural Disaster

- (a) A property must be detrimentally affected by natural disaster to a degree that limits its future usability, for example it is unable to be developed or have a building consent issued for development; or
- (b) A property must be unable to support the activity for which it was used prior to the natural disaster, for example a residence or commercial building that is unable to be occupied as a result of a natural disaster.
- (c) Council may require appropriate supporting evidence to assist in determining the merit of an application under this Policy.

### 3. Application Requirements

- (a) Applications under this Policy will be completed triennially, and Council will maintain a registry of dwellings and properties receiving remissions under this Policy to enable them to be checked randomly.
- (b) Applications will be assessed on a case-by-case basis and Council may use its discretion to remit all or part of the rates on properties that qualify under this Policy.

## Remissions for Clubs and Societies

*(LG(R)A Schedule 1, Part 2: Land 50% Non-Rateable)*

## Objectives

Council recognises the value of encouraging participation in active and passive recreation for the well-being of its communities. This Policy aims to support the development of arts, heritage, sport and recreation in the District by providing rates remissions for clubs, groups and societies that own land at the same level as those clubs located on non-rateable Council land.

## Principles

This Policy addresses the extent of remissions available to arts and heritage groups, sport clubs and societies, including

A&P societies. Under Schedule 1 (Part 2(1, 2 and 3)), 50% non-rateable land is subject to service charges. This Policy clarifies liability for groups listed under Schedule 1 (Part 2(1, 2 and 3)). Other 50% non-rateable groups are liable according to the LG(R)A for relevant service charges contained within the FIS.

This Policy targets Community Outcomes 4,5,20 and 40:

- CO 4 A district which takes ownership over issues of health provision, education provision and infrastructure maintenance.
- CO 5 Excellent standards of health practice and safety in the community are promoted and individuals take personal responsibility for their health and safety

- CO 20 A community that respects the welfare and safety of others
- CO 40 The provision of excellent medical, educational, leisure and retail services attract families and skilled workers to the district

## Background

The LG(R)A states:

*Land 50% non-rateable (Schedule 1 Part 2):*

- (2) *Land owned or used by a society or association of persons (whether incorporated or not) for games or sport, except galloping races, harness races, or greyhound races.*

*For the purposes of this Part, unless the context otherwise requires-*

- *land does not include land used for the private pecuniary profit of any members of the society or association*
- *land in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.*

Rate liability on 50% non-rateable land (section 8):

- (2) *Rates assessed for the land described in Part 2 of Schedule 1 must not exceed 50% of the rates that would otherwise have been assessed if the land were not described in that schedule.*

## Policy Criteria

Council has resolved the following in relation to sport and recreation clubs on both private and Council owned or administered land.

1. Sport and recreation groups on privately owned or Council administered land receive a full remission on rates other than service charges (water, sewerage and solid waste collection), except for a maximum of one charge set for each of water, sewerage (Category

1 pan charge) and solid waste collection services. Clubs opting for a private solid waste collection arrangement would not pay the solid waste collection rate, and would not receive a collection service.

2. This remission may be applied for triennially by recreation clubs and organisations who:
  - (a) Are groups identified by Schedule I Part 1(4b) and Part 2(2) of the LG(R)A and who:
    - (i) Demonstrate that their primary function is for the purpose of sport or physical recreation.
    - (ii) Are non-profit organisations, not providing recreation or fitness services for commercial profit.
    - (iii) Are able to demonstrate that they are currently operative.
    - (iv) The primary use of their facility for which they are seeking remissions is for the purpose of that organisation's sport or physical recreation activity.
    - (v) Can demonstrate that their activities benefit the community.
3. That sport and recreation clubs apply on a triennial basis for a remission of rates to ensure their continued eligibility and confirm the land-use remains eligible for remissions.
4. Council may use its discretion to apply a full remission of all rates to assist with the survival of a club or society experiencing financial hardship. Appropriate evidence will be required and this full remission will be considered on a case-by-case basis.
5. The remission for clubs and societies does not permit remissions to be made where:
  - (a) The primary function of the club's premise is for the provision of an accommodation service; or
  - (b) The club is not actively promoting its membership as open to all district residents.

# Remissions for Community Organisations

## LG(R)A Schedule 1, Part 1: Land Fully Non-Rateable)

### Objectives

1. To extend support offered in the LG(R)A targeted at community organisations.
2. To support the development and sustain the existence of community organisations in the Ruapehu District by providing more assistance than is statutorily required.
3. To clarify liability of preschools, marae, plunkets and churches for service charges.

### Principles

This Policy addresses the extent of remissions available to preschools, marae, plunkets, and churches in the District. This Policy clarifies liability for groups listed under Schedule 1 (Part 1(4) (6) (9) and (12)). Other fully non-rateable properties are liable according to the LG(R)A for relevant service charges contained within the FIS.

This Policy targets Community Outcomes 10 and 20:

- CO 10 Core facilities, services and infrastructure planning and provision (water, sewage, solid waste, power, roading and medical) keep pace with development.
- CO 20 A community that respects the welfare and safety of others.

### Background

The LG(R)A states:

*Land fully non-rateable (Schedule 1 Part 1):*

*The meaning of land is as defined in the LG(R)A:*

*'land' means all land, tenements, and hereditaments, whether corporeal or incorporeal, in New Zealand, and all chattel or other interests in the land, and all trees growing or standing on the land*

- (4) *Land used by a local authority-*
  - (c) *for a public hall, library, athenaeum, museum, art gallery, or other similar institution.*
- (6) *Land owned or used by, and for the purposes of, -*
  - (b) *an education establishment defined as-*
    - (iv) *an early childhood centre*
- (9) *Land used solely or principally-*
  - (a) *as a place of religious worship*

- (12) *Land that is set apart under section 338 of Te Ture Whenua Māori Act 1993 and-*
  - (a) *that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares*
- (21) *Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need, being land that does not exceed 1.5 hectares for any 1 institution.*

Rate liability on non-rateable land (Part 1 section 9):

*Land to which section 8 (non-rateable land) applies is rateable for the purpose of setting a targeted rate if-*

- (a) *the rate is set solely for water supply, sewage disposal, or waste collection, and*
- ((b) *the service referred to in paragraph (a) is provided in relation to the land.*

### Policy Criteria

1. 100% of service charges (water, sewerage, and solid waste collection) are remitted on properties used principally for the purpose of community halls, art galleries, and museums. Community halls are defined as those halls and community centres located on Council administered land, and those privately owned community halls listed on Council's Schedule of Privately Owned Halls (1994) and recognised as fulfilling the same primary function as public halls.
2. Pre-schools, marae, plunkets and churches are liable for water, sewerage, and solid waste collection service charges under the Council's FIS according to the number of connections. Council will remit sewerage, water and solid waste collection) on these properties. to the same 'base' level as residential properties, i.e., one sewerage, water and solid waste collection charge only will be set.
3. Any organisation applying for a remission under section 21 of the LG(R)A above must have a declaration or charter stating that its purpose is the free maintenance or relief of persons in need.

# Land Fully Non-Rateable – QEII Covenants

## Objectives

To recognise and support the environmental value of such protected areas and to acknowledge the non-commercial use of such protected land.

## Principles

Council may upon application, supported by documentary evidence of the protected status of the rating unit (or part of the unit), grant rates remission for land protected by the Queen Elizabeth the Second National Trust (QE II) Covenants.

## Policy Criteria

- (a) The land must be an open space covenanted with the QE II National Trust.
- (b) The extent of rate remission to be 100%.
- (c) Once granted, rate relief will be automatic each year with no requirement for a further application.
- (d) The covenanted land which includes a dwelling(s), may be liable for certain targeted rates where services apply e.g. water, sewerage, refuse disposal.

# Remissions for Council Properties

## Objectives

This Policy addresses the rating of Council properties for which no operational use can be attributed to the land, and which are used to provide efficient services.

## Principles

Practical application of rates, as Council need not raise rate funding from the community to pay rates on its own buildings that are not used for any commercial purposes.

- (a) *for a public garden, reserve or children's playground;*
- (b) *for games, and sports (except galloping races, harness races, or greyhound races);*
- (c) *for a public hall, library, athenaeum, museum, art gallery or other similar institution;*
- (d) *for public baths, swimming baths, bathhouses, or sanitary conveniences*
- (e) *for soil conservation and rivers control purposes, being land for which no revenue is received.*

## Background

The LG(R)A states:

*Non-rateable Council land (Schedule 1, Part 1):*

- (4) *Land used by a local authority:*

## Policy Criteria

Remissions under this Policy will be applied to Council properties in accordance with the requirements of Schedule 1 Part 1 of the LG(R)A, as stated above.

# Remissions for New Subdivisions

## Objectives

- (a) To provide rates relief to new subdivisions to limit the impact of multiple uniform charges in the first year.
- (b) To encourage development within the District by removal of unnecessary financial costs of uniform rates payments on newly subdivided land.

## Principles

This Policy outlines Council's criteria for providing temporary rates relief to subdivisions of land from uniform charges being applied to individual vacant lots prior to sale. The policy provides for the remission of uniform charges for the first full year following subdivision of one vacant lot into three (3) vacant lots or more. These lots will together be charged as one unit. Application of remissions for one full rating year

following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.

## Policy Criteria

1. This policy will apply to land that is:
  - (a) Newly subdivided into three (3) or more vacant lots where the titles have been issued.
  - (b) Remained owned by the original developer for a full rating year pending their sale to subsequent purchasers.
2. Remissions will be for 100% of uniform charges for each unsold vacant lot, except one.
3. Remissions will apply for the first full rating year that the individual titles have been separately rated following subdivision.

# Remissions of Rates on Land-Locked Land

## Objectives

To enable Council to act fairly and equitable in the assessment of rates on what are determined for these purposes to be areas of Land-locked Land.

## Principles

To provide rates relief on land that is of very low value, of little use, and is in remote areas.

## Policy Criteria

1. To qualify for remissions under this part of the Policy a rating unit must:
  - (a) Comprise a piece of land that does not warrant the assessment or invoicing of rates; and
  - (b) Not be subject to any other form of rates relief.
2. The rates remission will apply to small properties that are privately owned, and located in remote land-locked areas of the District, and that have low nominal value, and have limited potential for use:
  - (a) Where small is defined as properties that are less than 4048m<sup>2</sup> in size.
  - (b) The general location of the property is remote if there are less than five people classified as usually resident in the mesh block for the area in the immediate vicinity of the property.
  - (c) Low nominal value is defined as properties with a rateable value of less than \$1,001.
  - (d) Land-locked land is defined as land that is not accessible by way of a publicly owned and legally formed road.
  - (e) Each application will be considered on its merits.
  - (f) A property meeting the requirements of this Policy will pay no rates other than 50% of the uniform annual general charge.

# Remission of Penalties

## Objectives

The objective of this Policy is to:

- (a) Enhance the collection of rates in arrears,
- (b) Enable Council to act fairly and reasonably in cases where penalties have been incurred due to circumstances beyond the ratepayer's control.

## Principles

Council has large rate arrears and to provide incentive in the collection some concession can be made in the collection of those penalties. Where owners are prepared to enter into formal payment arrangements any penalties incurred through timing of payments should be waived. There are also other extenuating circumstances where it may be just and equitable to waive penalties already incurred.

This policy targets Community Outcome 16:

CO 16 A community that encourages participation in planning around community or district issues and promotes community responsibility.

## Background

This Policy outlines the process and criteria for the remission of penalties incurred by way of late or non-payment of rates, in accordance with section 85 of the LG(R)A. Penalties are incurred for late or non-payment of rates in accordance with the amount set in Council's FIS.

## Policy Criteria

Remissions for late or non-payment of rates will be considered on the following grounds:

### 1. *Extenuating Circumstances*

Remission of a penalty incurred on an instalment will be considered in the following circumstances:

- (a) The ratepayer has a good payment history.
- (b) Extenuating personal circumstances such as family illness, death or other tragedy.
- (c) Where there is an error made on the part of Council.
- (d) Where evidence support, that events outside the ratepayers control, has resulted in late payment of rates.
- (e) Other circumstances considered just and equitable by Council.

### 2. *Approved Payment Arrangement*

Penalties (including historical penalties) will not be applied where an approved payment arrangement has been agreed between a ratepayer and Council.

### 3. *Financial Hardship*

Penalties already incurred may be remitted on proven financial hardship or as part of an application for the settlement of outstanding debt.

### 4. *Rating Sales*

Any debt outstanding on a property after application of proceeds from a rating sale may be remitted.

### 5. *Abandoned Land*

Any debt outstanding on abandoned land after applying the proceeds from the sale of lease of the land may be remitted.

All penalties remitted (where the amount remitted is over \$10 for any individual ratepayer) will be recorded in the Penalty Remissions Register.

## Policy on Rates Postponement

Under section 110 of the LGA, Council does not provide for Rates Postponement.