

Part Four – Funding and Financial Policies

POLICY ON RATES REMISSIONS

INTRODUCTION

In order to allow rate relief where it is considered fair and reasonable to do so, Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy. This policy is prepared under section 109 of the Local Government Act 2002 for consultation using the special consultative procedure laid down in section 83 of the same Act.

PART 1 – REMISSION FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Objectives of the Policy

- To facilitate the ongoing provision of non-commercial community services that meet the needs of the residents of the district.
- To facilitate the ongoing provision of non-commercial recreational opportunities for the residents of the district.
- To assist the organisations' survival; and
- To make membership of the organisations more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

- Council may remit rates where the application meets the following criteria:
- The policy will apply to land owned by Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
- The policy does not apply to organisations operated for private pecuniary profit.
- The policy will also not apply to groups or organisations whose primary

purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

- Applications for remission must be made in writing to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.
- Organisations making application should include the following documents in support of their application:
 - statement of objectives
 - financial accounts
 - information on activities and programmes
 - details of membership or clients.
- Any remission granted in relation to the general rate under this policy will not exceed 50% of the amount charged, unless exceptional circumstances exist.
- Council may of its own volition investigate and grant remission of rates on any land in the district.

Council has instituted a new policy for remission of targeted rates for water and sewerage rates for sports and recreational organizations. The policy was adopted by the Council for inclusion in the draft LTCCP for consultation with the public, and reflects the changes required by the Local Government Act 2002, and the Local Government (Rating) Act 2002.

The Council policy is as set out below: -

1. Council is applying the requirements of the Local Authority (Rating) Act 2003, and specifically s 9 which states that all properties are liable for targeted rates on water supply, sewerage disposal, and waste collection.
2. All Sporting and Recreational bodies will be eligible for a grant equivalent to the **lesser of** 50% of the cost of water and sewerage service charges or two toilet pan and two water charges per property.
3. Those clubs that own their own property will still be entitled to a 50% rebate on uniform charges and will be provided with a grant equivalent to the recreational rate applicable on their properties.

Part Four – Funding and Financial Policies

Delegations

- Council may delegate the authority to make such approvals to particular Council officers as specified by a resolution of Council.

PART 2 – REMISSION OF PENALTIES ADDED TO UNPAID RATES

Objective of the Policy

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

- Upon receipt of an application from the ratepayer, or if identified by Council, Council will remit a penalty where it is demonstrated that the penalty has been levied because of an error by Council. This will include timing differences resulting from payment by direct debit payment option, which may result in a penalty being incurred.
- Upon receipt of an application from the ratepayer, or if identified by Council, Council may remit a penalty where it considers that it is fair and equitable to do so. Matters that will be taken into consideration by Council include the following:
 - the ratepayer's payment history
 - the impact on the ratepayer of extraordinary events
 - the payment of the full amount of rates due
 - the ratepayer entering into an agreement with Council for the payment of rates.
- Council reserves the right to impose conditions on the remission of penalties.

Delegations

Decisions on the remission of penalties may be delegated to Council officers or a Committee of Council. All delegations will be recorded in Council's delegation manual.

PART 3 – REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES IN CERTAIN CIRCUMSTANCES

Objective of the Policy

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

- in the same ownership, and
- used jointly as a single unit, and
- contiguous or separated only by a road etc.

This policy provides for the possibility of rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate.

In addition it provides for remission of uniform annual general charges and/or targeted rates for water and wastewater in cases where a rating unit is liable for multiple charges, but it is considered inequitable or excessive to assess full charges.

Conditions and Criteria

- The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit.
- Contiguous rating units in the same ownership will be treated as a single unit where any of the following circumstances exist:
 - One unit is used as a private residence, and the contiguous unit(s) is used solely as a garden or similar private part of the grounds only in connection with the residence.
 - One unit is used solely for vehicle parking in conjunction with a building on a contiguous rating unit in the same ownership.
- A rating unit used for residential purposes and which includes a separately inhabited part, may apply to be treated as having only one separately used or inhabited part if the second part is occupied by a dependent member of the family of the owner
- Owners wishing to claim a remission under this policy are required to make a written application and to supply such evidence as may be requested to verify that a remission should be granted under this policy.

Part Four – Funding and Financial Policies

While a remission may be granted for the current year, no consideration will be given to applications relating to prior years.

Delegations

Council will delegate authority to consider and approve applications to Council officers.

PART 4 – REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES IN CERTAIN CIRCUMSTANCES FOR RURAL LAND

Objective of the Policy

To provide for relief from uniform charges for rural land which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Conditions and Criteria

Rating units that meet the criteria under this policy may qualify for a remission of annual general charges and any targeted rate set on the basis of a fixed dollar per rating unit.

The ratepayer will be liable for one set of each charge.

The rating units must be owned by the same ratepayer.

The rating units must each be classified as “rural” for differential purposes.

Only one of the units may have any residential dwelling situated on the rating unit.

PART 5 – REMISSION ON LAND PROTECTED FOR NATURAL, HISTORIC OR CULTURAL CONSERVATION PURPOSES

Objective of the Policy

- To protect and promote significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites
- This policy will support the provisions of the District Plan where a number of these features have been identified.

Conditions and Criteria

- Ratepayers who own rating units which include significant natural areas; culturally significant sites, historic buildings, structures and places, and archaeological sites, including those identified in the District Plan, and who have voluntarily protected these features, may qualify for remission of rates under this part of the policy
- Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, wastewater disposal or refuse collection will not qualify for remission under this part of the policy
- Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit e.g. a copy of the Covenant or other legal mechanism
- In considering any application for remission of rates under this part of the policy Council will consider the following criteria:
 - the extent to which the protection and promotion of significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites will be promoted by granting remission of rates on the rating unit
 - the degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites are present on the land
 - the degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites inhibit the economic utilisation of the land.
- In granting remissions under this part of the policy Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
- Council will decide what amount of rates will be remitted on a case-by-case basis subject to a maximum amount of 50 percent of rates owing per year.

Delegations

Applications for the remission for protection of heritage will be considered by a Committee of Council, acting under delegated authority from Council.