



## Remission of rates policy

### Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the 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.

### Legislative requirement

Section 109 Local Government Act 2002 requires the Council to adopt a Rates Remission Policy that includes:

- the objectives sought to be achieved by the remission of rates
- the conditions and criteria to be met in order for rates to be remitted.

### Remission of penalty rates

#### Objectives

- To enable the Council to act fairly and reasonably in its consideration of rates that have not been received by the due date.
- To provide relief and assistance to those ratepayers experiencing financial hardship.

#### Criteria and Conditions

The Council will consider each application on its merit and remission may be granted where it is considered that the application meets the following criteria and conditions.

##### *Criteria*

- Remission of penalty incurred on instalment one will be considered where the ratepayers pays the total amount due for the year on or before the penalty date of the second instalment.

- Remission of one penalty will be considered in any one rating year where payment had been late due to significant family disruption. Significant family disruption is likely to be the ratepayer or a member of the household affected by serious illness, serious accident, hospitalisation or death.
- Remission of penalty may be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Applications under this criterion will only be accepted if the ratepayer has a history of regular payments of rates and has not incurred penalty rates in the previous two years.
- Remission of penalty rates will be considered for those ratepayers who due to financial hardship, are in arrears and who have entered into an agreement with the Council to repay all outstanding rates. Penalty rates remission will not be considered if the agreement plan is not being adhered to.
- Remission will be considered if a new owner receives penalty rates through the late issuing of a sale notice, a wrong address on the sale notice or late clearance of payment by the Solicitor on a property settlement. This only applies to penalty rates incurred on one instalment. Future instalments do not qualify under this criterion.

##### *Conditions*

- Application for remission of penalty rates must be in writing using the prescribed form.
- Penalty rates will not be considered for remission if the penalty rates were incurred in a previous rating year, regardless if the application otherwise meets the criteria.

#### Delegation

The Council delegates the authority to remit penalty rates to the Chief Executive and the Corporate Services Manager.

### Remission of rates for land used by sporting, recreational and community organisations

#### Objectives

- To facilitate the ongoing provision of non-commercial sporting, recreational and community services that meet the needs of the residents of Carterton.
- To provide indirect financial assistance to community organisations.

- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

### Conditions and Criteria

This policy will apply to land owned by the Council, or owned and occupied by a charitable organisation, that is used exclusively or principally for sporting, recreation or community purposes.

The Council will remit 50 percent of rates, with the exception of targeted rates, for organisations that qualify under this policy. Sporting organisations will qualify for 50 percent remission regardless of whether they hold a current license under the Sale of Liquor Act 1989.

The Council will remit 100 percent of all rates for Rural Halls, to be reviewed annually to ensure that the use still remains the same.

The policy does not apply to organisations that operate for pecuniary profit or that charge tuition fees.

The policy does 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 to the 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 back dated.

Organisations making application should include the following documents in support of their application. Information of activities and programmes, details of membership and statement of objectives

### Delegation

The Council delegates the authority to remit 50 percent of rates for sporting, recreational and community organisations to the Chief Executive and the Corporate Services Manager.



## Remission of rates on land protected for natural, historical, or cultural conservation purposes

### Objective

- To preserve and promote natural resources and heritage.
- To encourage the protection of land for natural, historic or cultural purposes.

### Conditions and Criteria

- Ratepayers who own rating units that have some feature of cultural, natural or historic heritage that is voluntarily protected 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, sewage 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 eg a copy of the covenant or other legal mechanism.
- In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:
  - the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
  - the degree to which features of natural, cultural or historic heritage are present on the land
  - the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
  - the degree to which features of natural, cultural or historic heritage are present on the land.
- In granting remissions under this part of the policy, the Council may specify certain conditions before remissions 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.
- The Council will decide what amount of rates will be remitted on a case by case basis.

### Delegations

Applications for remission of rates on land protected for natural, historical, or cultural conservation purposes will be considered by the Council.

## Remission of Uniform Annual General Charge in certain circumstances

### Objective

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple UAGCs in the first year.

### Conditions and Criteria

This policy will apply to land that fulfils all three of the following criteria:

- subdivided into three lots or more
- where title has been issued
- is owned by the original developer who is holding the individual titles.

Remission will only apply for the first rating year that the individual titles have been separately rated after subdivision. To avoid doubt, remission under this policy will not be given to subdivisions that were given a block rating valuation for any rating year prior to 1 July 2003. Remission will be limited to 100 percent of the UAGC for each unsold lot except one.

### Delegation

The Council delegates the authority to remit UAGCs to the Chief Executive and the Corporate Services Manager.

## Remission of rates for natural disasters

### Objectives

- To provide relief to properties affected by natural disasters.

### Conditions and criteria

- The Council will remit rates to those properties identified according to the conditions and criteria set by Central Government.
- The level of remission will be the extent of funding provided by Central Government.