



## Remission of Rates Policy

### Introduction

In order to allow rate relief where it is considered fair and reasonable to do so, the Council may 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
- support of the principles set out in the Preamble to Te Ture Whenua Māori Act 1993

## 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 rate payer pays the total amount due for the year on or before the due date of the second instalment.
- Remission of 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 establish 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 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 of penalty 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 more than twelve months before the date of application, whether or not 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 non-services 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 and Supply of Alcohol Act 2012.

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 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 are requested to 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, and 100 percent of all rates for Rural Halls, to the Chief Executive and the Corporate Services Manager.

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

### Objectives

- 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. For example,
  - Land protected by a covenant similar to the effect of a QEII covenant
- 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 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 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



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- 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 remit non-services rates by the percentage of the total hectares of the land protected as a portion of the hectares of the rating unit.

### Delegation

The Council delegates the authority to remit rates on land protected for natural, historical, or cultural conservation purposes to the Chief Executive and the Corporate Services Manager.

## Remission of rates on new subdivisions

### Objective

- To encourage continued subdivision activity by providing rates relief to new subdivisions by limiting the rates impact of multiple rating units.

### Conditions and Criteria

Where:

- land under one rating unit has been subdivided into three lots or more, and
- title has been issued, and
- is owned by the original developer who is holding the individual titles

the following rates will be remitted on all unsold lots in the subdivision except one:

- UAGC
- urban sewerage rate
- refuse collection and kerbside recycling rate
- urban water rate.

Applications for remission are requested to be made to the Council prior to the commencement of the rating year.

### Delegation

The Council delegates the authority to remit rates on multiple rating units to the Chief Executive and the Corporate Services Manager.

## Remission of rates for natural disasters

### Objectives

- To help ratepayers experiencing extreme financial hardship due to natural calamity which affects their ability to pay rates.

### Conditions and criteria

- The Council will, at its discretion, resolve when an event is a recognised major event for the purposes of this Policy.
- The Council may, at its discretion, remit all or part of any rate assessed on any rating unit so affected by natural calamity.
- Only applicable where erosion, subsidence, submersion, or other natural calamity as a result of a recognised major event has affected the use or occupation of any rating unit. This does not apply to erosion, subsidence, submersion etc, that may have occurred without a recognised major event.
- Except where there are extenuating circumstances, applications must be made in writing at least 14 days prior to the due date of payment, detailing the rating unit(s) involved. Where extenuating circumstances can be demonstrated, the Chief Executive may grant an exemption for late application.
- The Council may require financial or other records to be provided as part of the remission approval process.
- Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

### Delegation

The Council will delegate authority as part of the resolution when an event is a recognised major event for the purposes of this Policy.



## Remission of rates for Council land and facilities that would otherwise be rateable

### Objectives

- To reduce the cost of services and administration for Council land and facilities that would otherwise be rateable.

### Conditions and criteria

This policy will apply to land and facilities owned by the Council that would be otherwise rateable under the Local Government Act 2002 and the Local Government (Rating) Act 2002 unless the Council property is leased for income or generates income for Council.

The Council will remit all rates including targeted rates for all other rating units, all rates including targeted rates will be remitted

### Delegation

The Council delegates the authority to remit rates on rating units to the Chief Executive and the Corporate Services Manager.

## Postponement of Rates Policy

### Introduction

This policy is prepared under Section 110 Local Government Act 2002.

### Legislative requirements

The Local Government Act 2002 requires that the Postponement of Rates Policy must state:

- the objectives sought to be achieved by a postponement of the requirement to pay rates.
- the conditions and criteria to be met in order for the requirement to pay rates to be postponed.

### Objective

To assist ratepayers experiencing extreme financial circumstances that affects their ability to pay rates.

### Criteria and conditions

The Council will consider, on a case-by-case basis, all applications received that meet all the criteria and conditions listed below. Such applications for postponement can include short-term deferred or reduced payment arrangements or longer-term deferred payment arrangements. Postponement does not diminish liability for rates.

### Criteria

- The ratepayer(s) is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision of maintenance of the home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- The ratepayers(s) must be the current owner of the rating unit.
- Where the ratepayer seeks a longer-term postponement, additionally:
  - The rating unit must be used solely for residential purposes and the ratepayer(s) must reside on the property.
  - The ratepayer(s) must not own any other rating units or investment properties, whether in this district or another.

### Conditions

- Application must be in writing by the ratepayer(s) or by any authorised agent.
- Application for postponement of rates will only be considered from the beginning of the rating year in which the application is made.
- Application must identify the period of postponement sought.
- Application must identify the nature of the payment arrangement sought.



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- The ratepayer(s) is required to disclose to the Council, all personal circumstances, including the following factors: age, physical or mental disability, injury, illness and family circumstances so that the Council can consider these factors to establish whether extreme financial hardship exists.
- If the Council decides to postpone rates the ratepayer(s) must first enter into an agreement with the Council to make regular payments for future rates.
- The Council will charge a postponement fee on the postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year.
- Any postponed rates will be postponed until:
  1. The death of the ratepayer(s), or
  2. the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
  3. the ratepayer(s) ceases to use the property as their residence, or
  4. a date specified by the Council as determined by council in any particular case.
- Postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- Under any longer-term postponement, postponed rates will be registered as a statutory land charge on the rating unit under the Land Transfer Act 2017 and no dealing with the land may be registered by the ratepayer while the charge is registered except with the consent of the Council.

### Delegation

The Council delegates the authority to approve applications for rate postponement to the Chief Executive and the Corporate Services Manager.

## Remission and Postponement of Rates on Māori Freehold Land Policy

### Introduction

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

This policy does not provide for the postponement of rates as the Council considers that postponing the requirement to pay rates would not support the objectives set out below. The Council has specific policies for the postponement of rates in certain circumstances.

Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

This policy has been formulated for the purposes of:

- Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Māori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.
- Meeting the requirement of sections 102 and 108 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.
- Supporting the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.
- In determining the policy, the Council has considered the matters set out in Schedule 11 of the Act.



## Objectives

- To recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakāinga housing
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Where only part of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate the desire of the owners to develop the land for economic use
- To support the use of land by the owners for traditional purposes
- To recognise and support the relationship of Māori culture and traditions relating to ancestral land
- To avoid of further alienation of Māori freehold land
- To 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
  - the protection of significant indigenous natural vegetation and fauna
- To recognise the level of community services provided to the land and its occupiers

## Conditions and criteria

The Council will give a remission of up to 100 percent of all rates, except targeted rates set for water supply or wastewater disposal, based on any of the following criteria:

- Part of the land is used for papakāinga and is subject to an occupation licence or other arrangement for the purposes of providing residential housing.
- The land is unoccupied, and no income is derived from the use or occupation of

that land.

- The land is better set aside for non-use (whenua rāhui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land.
- The land is inaccessible and is unoccupied.
- Only a portion of the land is occupied.
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

Application for a remission under this policy must be made by the person(s) liable for rates for the land (such as owners or trustees), or a person appointed by the Māori Land Court, or other authorised agent of the owners of the land.

The application is to be made in writing at least 14 days before the due date of payment. Applications made after this cut-off date will apply from the beginning of the following rating year unless extenuating circumstances can be demonstrated, where the Chief Executive may grant an exemption for late application.

The applicant must include the following information in their applications:

- details of the rating unit or units involved
- documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
- details showing how a remission of rates is consistent with the objectives of this policy.

No application under this policy will be backdated. However, where a new lessee/occupier takes over a block with existing rate arrears that would not be recoverable based on previous use, the arrears of rates may be written off where the new lessee assumes payment of current and future rates from the commencement of use or occupation.