

Statement of Proposal

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

April 2024

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Background

Carterton District Council adopted its Revenue and Financing Policy at the end of 2023 as part of the Rating review for the LTP 2024-34.

Council is required by the Local Government Act to review and update, if applicable, the Revenue and Financing policy and the Remission/Postponement policies every three years and the Remission/Postponement policies are due for review.

These policies are:

- Remission of Rates Policy.
- Postponement of Rates Policy.
- Remission and Postponement of Rates on Māori Freehold Land Policy.

The Revenue and Financing Policy establishes the allocation of rates and what share of the rates each ratepayer should pay.

The Remissions and Postponement Policies 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 or postponement. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different.

The existing policies can found on our website, at cdc.govt.nz/policies

Details of proposed changes

The key changes to the policies we're proposing are:

- updating the policies to support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.
- updating the policies to meet legislative requirements and references to the any legalisation changes
- updating the policies to provide clarity for rate payers on when a remission or postponement policy is applicable and to provide clear criteria and the application requirements.

What we need to know

We'd like to know if you agree with the changes to:

- the Remission of Rates on Land protected for Natural, Historical, or Cultural Conservation Purposes.
- the Remission of Rates on New Subdivisions (formally Remission of Specified Rates in Certain Circumstances).
- the Remission of Rates for Natural Disasters.
- the Remission and Postponement of Rates on Māori Freehold Land.

Draft 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 of the 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 Penalties on Rates

Objective

- 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 anyone 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.

Criteria and Conditions

- 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.
- 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

Objectives

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

Criteria and Conditions

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 land protected for natural, historical, or cultural conservation purposes 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.

Criteria and Conditions

- 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 delegates the authority to remit rates on land protected for natural, historical, or cultural conservation purposes to the Chief Executive.

Draft Postponement of Rates Policy

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

Legislative requirement

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

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.

- 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.

Draft Postponement of Rates Policy

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

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.
- 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:
 - The death of the ratepayer(s), or
 - the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
 - the ratepayer(s) ceases to use the property as their residence, or
 - 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

Draft 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 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.

Draft Remission and Postponement of Rates on Māori Freehold Land Policy

Criteria and conditions

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.

Questions & Answers

What is rates postponement?

Rates postponement policies allow ratepayers to defer paying their rates, with the debt being secured against the equity in their property.

Postponement can be applied for the remainder of the ratepayer's life, where they have sufficient equity in their home, although the applicant can repay all or part of the postponed rates at any time.

What is rates remission?

Rates remission policies allow ratepayers to reduce or cease rate payments in accordance with the specific policy criteria, with no requirement to repay the amount remitted.

Why does Council have a policy about rates remission on Māori Freehold Land?

Māori Freehold Land (whenua Māori) is a taonga tuku iho (treasure passed down) which is often owned beneficially by multiple owners, which can often be over 100. Council has a rates remission policy for whenua Māori to:

- Recognise that whenua Māori is taonga tuku iho;
 - Provide for the fair and equitable collection of rates from whenua Māori;
 - Recognise situations where there is no one using or financially benefitting from the land; and
 - Recognise and support the relationship with Māori, their culture, and traditions with their ancestral land.
- Council is also required by section 102 of the Local Government Act 2002 to adopt a policy on the remission and postponement of rates on Māori freehold land

Why are you reviewing the policies?

Council has a statutory requirement to review rates relief policies at least once every six years, as per section 109 and 110 of the Local Government Act 2002.

Recent changes to the Local Government Act 2002 and the Local Government (Rating) Act 2002, through the Local Government (Rating of Whenua Māori) Amendment Act 2021, require councils to review their policies on the rating of Māori freehold land before 1 July 2022.

Why should I provide feedback?

Your feedback is critical in helping Council create rates relief policies which are representative of the needs of the community.

What happens after I provide feedback?

Council will acknowledge in writing or by email (if provided) the receipt of your feedback and all feedback will be considered through Council's deliberations process. All submitters who provided email or postal details will receive a decision document.

How Can I Have My Say?

We need your feedback by 5pm Sunday 5 May 2024.

- Visit cdc.govt.nz/haveyoursay and complete our online submission form.
- Post your feedback to Rates Remission Policies, Carterton District Council, PO Box 9, Carterton, 5713.
- Drop your feedback off at our Library, Events Centre, or to the main Council Office at 28 Holloway St.
- Email your feedback to consultations@cdc.govt.nz

When will the changes take effect?

We aim to adopt any changes to the policy in the new financial year on 1 July 2024.

How to make a submission



Complete one of our online submission forms at:
www.cdc.govt.nz/haveyoursay



Email your submission or feedback to:
submissions@cdc.govt.nz



Complete the paper submission form at the end of this document, or from our Council office at
28 Holloway Street, Carterton



Post your paper copy to
PO Box 9, Carterton, 5743

Chat with an Elected Representative



Mayor Hon. Ron Mark
mayor@cdc.govt.nz
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Submission Form

Have Your Say

This submission form allows you to give feedback on the proposed Policies.

Please fill out all sections so we can formally record your submission.

All submissions (excluding contact details) will be made available to the public and media via the Council website.

Online

You can make a submission in a number of ways:

- Email it to us at: **submissions@cdc.govt.nz**
- Complete the submission form online at: **www.cdc.govt.nz/haveyoursay**

Paper copy

- Hand deliver to our Council office at 28 Holloway Street, Carterton
- Post to PO Box 9, Carterton 5743

Please provide your feedback by Sunday 5 May 2024

Your Details

Full name

.....

Organisation (if applicable)

.....

Postal address

.....

Phone

.....

Email

.....

Would you like someone to contact you about your submission?

Yes No

Would you like to participate in the hearing process?

Yes (in person) Yes (online) No

Q1

Do you agree with the changes to the Remission of Rates on Land Protected for Natural, Historical, or Cultural Conservation Purposes?

Yes No Neutral

Comments

Q3

Do you agree with the changes to the Remission of Rates for Natural Disasters?

Yes No Neutral

Comments

Q2

Do you agree with the changes to the Remission of Rates on New Subdivisions (formally Remission of Specified Rates in Certain Circumstances)?

Yes No Neutral

Comments

Q4

Do you agree with the changes to the Remission and Postponement of Rates on Māori Freehold Land?

Yes No Neutral

Comments

Please add any comments you wish to add to support your submission.