

12. THE RATES REMISSION POLICY

Rates Remission Policy	
Responsibility:	Deputy Chief Executive
First adopted:	1 July 2003 (265/03)
Historic revision dates:	24/06/04 (234/04), 28/05/09 (134/09), 28/06/12 (236/12)
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Associated documents:	Long Term Plan and financial policies



12.1. General

This policy provides for remissions to be approved in a number of different circumstances. Where more than one remission would be applicable to a rating unit, only one can be approved. In this instance it would be appropriate that the remission offering the greatest amount of rating relief for the ratepayer is approved.

12.2. Remissions for community, sporting and other organisations

12.2.1. Objective

To provide specific financial assistance and relief to community, sporting and other organisations to assist in maintaining and enhancing community wellbeing.

12.2.2. Policy

Rating units used primarily for the promotion of art, education, health, recreation and sport, and not used for pecuniary gain, may receive up to a 100% remission of general rates levied on rateable value and on a uniform basis and 50% of sewerage disposal rates. Targeted rates, including those charged for utility services (refuse collection and water supply) are excluded from the remission except for 50% of targeted rates for sewerage disposal, as noted above.

This remission does not apply to rating units where the land is used by organisations affiliated to New Zealand Chartered Clubs Incorporated or used for dog or horse racing.

Rating Units designated as a Māori Reservation under the Te Ture Whenua Act 1993, excluding the portion of the rating unit used for permanent housing, will attract a 100% remission of general rates.

Rating Units used by churches, marae and play centres, which have a non-rateable status under the Local Government (Rating) Act 2002, may have one half of the service charge for refuse collection, sewage disposal and water supply remitted.

12.2.3. Conditions and criteria

The policy does not apply to groups or organisations whose primary purpose is to address the social or entertainment needs of adults or who engage in community, recreational or sporting secondary purpose, or properties operated for pecuniary profit, or separately used or inhabited parts of the rating unit.

Applications for remission under this policy must be made in writing and if granted will apply for a maximum of three years. Applications cannot be backdated beyond the current rating year.

Any organisation (other than those with non-rateable status applying for remission of service charges) should include the following documents in support of their application:

- Statement of Objectives

- Most recent Financial Accounts
- Information on Activities and Programmes
- Details of Membership or 'Clients'.

12.2.4. Delegated responsibility

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, is set out in the Delegations Manual.

12.3. Remission of rates on land protected for natural, historical or cultural conservation purposes (including significant natural areas and indigenous vegetation)

12.3.1. Objective

To assist in preserving and promoting natural and heritage assets within the district and to encourage the protection of land for natural, historical or cultural purposes. This includes land which is considered to be a significant natural area (SNA) under the District Plan and areas of land covered by indigenous vegetation.

Provisions in the District Plan support this policy objective.

12.3.2. Policy

- Rating units that have some feature of cultural, historic or natural heritage which is voluntarily protected, may qualify for a remission of up to 100% of general rates of the land being protected. In addition if the whole rating unit is being protected all service and Uniform Annual General charges can be remitted as well.
- The remission will be calculated after an apportionment of rating value to the 'area of interest' (that area of interest being the feature of cultural, historic or natural heritage which is voluntarily protected).
- For the avoidance of doubt, the remission can be approved at the full amount of the rates payable on the apportioned value of the area of interest provided that the level of remission is no more than 33% of the value of rates that would otherwise have been set and assessed on the rating unit as a whole.
- Rating Units that are non-rateable under Section 8 of the Local Government (Rating) Act 2002 and are liable for rates for refuse collection, sewage disposal and water supply do not qualify for a remission.

12.3.3. Conditions and criteria

- Applications must be supported by documentary evidence of the protected status of the rating unit.
- Applications for remission under this policy must be made in writing and if granted will apply for a maximum of three years. Applications cannot be backdated beyond the current rating year.
- Council will resolve, on a case-by-case basis, what amount of rates (excluding rates for refuse collection, sewage disposal and water supply), up to the maximum limit set out above, qualify for a remission.
- Applicants will be required to agree in writing to payment of remitted rates if the conditions of the remission are violated.
- In considering, granting and setting the value of the remission, Council will consider the following criteria:

The extent to which features of cultural, historic and natural heritage assets are present

The degree to which these features are being, or will be, preserved

The degree to which these features inhibit economic utilisation of the land

The extent to which the features will be promoted by granting a remission of rates

The level of District Plan, NZ Historic Places Trust or Iwi recognition of the features

Any other assistance that the ratepayer has already received from Council or elsewhere in order to protect the features of interest.

12.3.4. Delegated responsibility

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, as set out in the Delegations Manual.

12.4. Remission on school sewerage rates

12.4.1. Objective

To provide specific assistance /relief to educational establishments in paying sewerage rates.

12.4.2. Policy

The policy will apply to the following educational establishments:

- Established as a special school under Section 98(1) of the Education Act 1964; or
- Defined as:

-A state school under Section 2 (1) of the Education Act 1989; or

-An integrated school under Section 2(1) of the Private Schools Conditional Integrated Act 1975; or

-A special institution under Section 92 (1) of the Education Act 1989; or

-An early childhood centre under Section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit

- The policy does not apply to school houses occupied by a caretaker, principal or staff
- The full sewer charge will be reduced by 33%.

12.4.3. Conditions and criteria

Applications for remission under this policy must be made in writing and if granted will apply for a maximum of three years. Applications cannot be backdated beyond the current rating year.

12.4.4. Delegated authority

Council has delegated the authority to make such approvals up to \$6,000 to the Chief Executive, as set out in the Delegations Manual.

12.5. Remission of Uniform Annual General Charges and Targeted Rates set and assessed on non-contiguous rural rating units in common ownership

12.5.1. Objective

To provide for rates relief from the Uniform Annual General Charge and other targeted rates levied on a uniform basis for rural land that is non-contiguous, farmed as a single entity and owned by the same owner or with the same ratepayer recorded in the rating information database.

12.5.2. Conditions and criteria

- The remission relates to the Uniform Annual General Charge and any targeted rate on a uniform basis (excluding refuse collection, sewage disposal and water supply).
- All of the rating units must be classified as rural, and have the same owner(s) or ratepayer as defined in the Local Government (Rating) Act 2002.
- The remission does not apply to a rating unit that is separately used and/or inhabited.
- Applications for remission under this policy must be made in writing and if granted will apply for a maximum of three years. Applications cannot be backdated beyond the current rating year.

12.5.3. Delegated authority

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, as set out in the Delegations Manual.

12.6. Remission of penalties**12.6.1. Objective**

To enable Council to act fairly and reasonably in its consideration of rates that have not been received by Council by the penalty date.

12.6.2. Policy

Penalties on rates may be remitted due to ratepayer circumstances where the first condition plus any one of the other following conditions and criteria apply.

12.6.3. Conditions and criteria

- All applications for remission of penalties shall be submitted in writing to Council.
- Automatic remission of the penalties incurred on installment one will be granted if the ratepayer pays the total annual rates and any prior year arrears due on or before the date of the second installment.
- Council may remit penalties where an agreement has been reached for a ratepayer to make regular payments to settle all rate arrears and current rates within an appropriate timeframe. Penalty remitted may include either installment penalty, arrears penalty, or both.
- Council may remit a penalty charge where the payment is late due to significant family disruption, including illness, accident or death of a family member, as at the due date.
- Where the ratepayer can provide evidence that the payment has “gone astray” in the mail, or the late payment has otherwise resulted from events outside the ratepayer’s control, the penalty may be remitted.
- Council may not charge penalties that are uneconomic to collect.
- Penalties may be remitted on proven financial hardship or as part of an application for the settlement of outstanding debt.
- Applications to remit rates penalties for reasons other than those specified above can be approved by the Chief Executive to the extent of the delegation set out below.

12.6.4. Delegated authority

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, as set out in the Delegations Manual.

12.7. Remissions on multiple dwellings with a common use on one rating unit**12.7.1. Objective**

To recognise special circumstance pertaining to multiple residential units (eg dwelling/flat/unit) used as one residential unit.

12.7.2. Policy

To provide discretionary financial assistance for ratepayers caring for a member(s) of the direct family. Council may apply a remission of 100% of the Additional Unit Rate and one or more Urban Sewer Rate, Urban Water Rate and Waste Collection Rate.

12.7.3. Conditions and criteria

The remission will apply in the follow circumstances:

- Where there are multiple dwellings recorded on the Valuation Records, but they are being used by members of the direct family of the ratepayer (for example, granny flats, teenagers).
- There is a dependency relationship between the primary ratepayer and the occupier of the flat/dwelling.
- Members of the direct family are not paying rent.
- Application for the remission must be made in writing by the ratepayer, who must provide proof.
- The remission will be for a period of two years, after which full rates will be charged subject to further application by the ratepayer.
- Ratepayer must notify Council if their situation changes.
- Remission period will commence in the rating year in which the application is made.

12.7.4. Delegated authority

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, as set out in the Delegations Manual.

12.8. Remission on uncollectable rates

12.8.1. Objective

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and it is in council's and ratepayers best financial interests to remit such rates.

This will reduce administration costs in situations where it is clear that collection of rates is extremely unlikely and write-off would otherwise be required. One benefit of this is to achieve early recovery of the GST content of these uncollectable. Most, if not all the properties that meet this objective are expected to be multiple owned Maori Freehold Land that is unoccupied and unused, and where a remission would be granted if it were possible to locate owners to obtain a remission application.

12.8.2. Policy

All rates, both arrears and current, including any service charges will be remitted in cases where council considers the above objective will be achieved in doing so.

12.8.3. Conditions and criteria

- This policy will be applied at Council's instigation.
- Properties receiving a remission under 1 above are to be reviewed whenever fresh aerial images are available to confirm or otherwise their continued remission status.

12.8.4. Delegated authority

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, as set out in the Delegations Manual.

12.9. Remission on water rates

5.9.1. Objective

To determine the circumstances in which Council may provide remission for water consumption rates that are due to a water leak.

5.9.2. Policy

That in circumstances where the conditions and criteria have been met, Council will provide relief from water rates charges in situations where water usage is high due to a water leak.

5.9.3. Conditions and criteria

This policy will be applied where an application in writing to remit water consumption rates has been received by Council and the following conditions apply:

- Council is satisfied that the leak on the property has caused excessive water consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.
- Repairs to be carried out in accordance with the South Waikato District Council Water Supply bylaw.
- The amount of the remission will be the difference between the average consumption of the property - for the time of year - and the consumption over and above that average. A charge amount equal to 15% of the consumption over and above the average will be charged to partially recover the cost of supply.
- Remission will normally only be granted once every financial year. However, where a remission for water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Group Manager Assets.

5.9.4. Delegated authority

Council has delegated the authority to make such approvals up to \$2,500 to the Chief Executive, as set out in the Delegations Manual.

12.10. References and relevant legislation

Local Government Act 2002

Local Government (Rating) Act 2002

12.11. Annotations

Res No	Date	Subject/Description
265/03	10/07/03	Original Policy adopted by Council as part of Annual Plan process
234/04	24/06/04	Amended/confirmed as part of LTCCP process
347/06	10/07/06	Amended/confirmed as part of LTCCP process
134/09	28/05/09	Amended/confirmed as part of LTCCP process
236/12	28/06/12	Policy amended/confirmed as part of Long Term Plan 2012-22 process