

Rates Remission Policy

General

This Policy is prepared pursuant to Section 109 of the Local Government Act 2002.

Section 85 of the Local Government (Rating) Act 2002 states a Council can remit all or part of the rates if a Remission policy has been adopted and notice to the ratepayers is given.

This policy includes :

- The objectives sought to be achieved by remission of rates ; and
- Conditions and criteria to be met in order for rates to be remitted.
- The policy may be amended or revoked using the consultation process defined under Section 82 of the Local Government Act 2002.
- For the purpose of Rates Remissions Rates includes penalties payable on unpaid rates.

1 Remission of Instalment Penalties

A remission of 100% instalment penalties will be granted in the following circumstances, where:

- The ratepayer elects to pay the annual rates by way of a regular payment arrangement to have rates cleared by 31/5.
- The ratepayer has omitted to pay a rates instalment in time due to extraordinary circumstances.
- The ratepayer has missed a penalty date but has otherwise a record of paying rates on time.

1.1 Objectives

- To facilitate the payment of rates allowing ratepayers to pay their rates by way of an agreed regular payment arrangement over a specified time period.
- To recognise the occurrence of late rates instalment payments in certain circumstances

1.2 Conditions and Criteria

- Ratepayers paying their rates by way of payment arrangements must make regular payments of specified amounts, as agreed by the Council.
- The ratepayer has made a late payment, but has made all rates payments on time during the previous three years; or if the ratepayer has owned the property for less than three years, from the time they purchased the property.
- The ratepayer can demonstrate that late payment has been made because of extraordinary circumstances.
- The Finance and Administration Manager has delegated authority to determine whether a request for remission should be granted or refused.

2 Six-Monthly Penalties where a payment arrangement is in place

A remission of 100% of six-monthly penalties may be applied to rates accounts in respect of which a payment arrangement is in place and is being honoured, i.e. regular payments of specified amounts are made as agreed between the ratepayer and Council which will allow outstanding rates to be repaid in full .

2.1 Objective

- To facilitate the payment of rates by allowing ratepayers to pay their rates by way of an agreed payment arrangement.

2.2 Conditions and Criteria

- The payment arrangement is being honoured, i.e. ratepayers must pay certain amounts at regular intervals as agreed between the ratepayer and Council.
- If current rates and rate arrears are paid through a payment arrangement, the payments must have the effect of reducing rate arrears, before a remission of six-monthly penalties is considered.
- In considering whether a remission is granted in respect of rates accounts with outstanding balances, the Council may take into account the reasons for the arrears.
- The Finance and Administration Manager has delegated authority to grant or refuse remission in respect of accounts with outstanding balances.

3 Remission of Rates for Community, Sporting and other Organisations

3.1 Objectives

This policy is intended to facilitate the ongoing provision of non-commercial community services and recreational opportunities for the residents of the Otorohanga District. The purpose of granting rates remission to an organisation is to:

- 1) Assist the organisation's survival; and
- 2) Make membership of the organisation more accessible and affordable to Otorohanga District residents and ratepayers

3.2 Conditions and Criteria

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

This policy does not apply to organisations operated for private pecuniary profit. Nor will it apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.

Remission will be applied as follows to all rates with the exception of targeted rates for water supply, sewage disposal or refuse collection:

- A remission of the 50 percent residual rates will be given to those societies and associations who qualify for the 50 percent non-rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002, including those who have a club licence under the Sale of Liquor act 1989.
- All other community and sporting organisations fitting the criteria stated in this policy will receive a full remission of rates.

4 Remission of Wastewater charges to Schools

4.1 Objectives

- To provide relief and assistance to educational establishments in paying wastewater charges.

4.2 Conditions and Criteria

The policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002.

The policy does not apply to school houses or any part of a school used for residential purposes.

Wastewater charges for schools will be calculated based upon a notional number of pans as follows:

Staff plus pupils/ 20 = number of pans

The wastewater charge for the educational establishment will be charged at:

- 100% for the first four pans then
- The fifth to tenth pan charges will be discounted to 75% and
- All pan charges exceeding ten will be discounted to 50%

The student numbers is the number of students on the roll on March 1 in the year immediately before the year in which the charge relates.

The number of staff is the number of full time equivalent and administration staff employed on 1 March immediately before the year in which the charge relates.

The policy applies to all Wastewater charges including Uniform Targeted Rates and Targeted Rates for debt servicing.

5 Rates Remission for Land held for Conservation or Preservation purposes.

5.1 Objectives

- To enable the Council to assist in the preservation and conservation of land and its native fauna and flora for the benefits of, and visitors to, the Otorohanga District.

5.2 Conditions and Criteria

On application of a ratepayer and provided that:

- A portion of a rating unit has been set aside as a conservation area, covered by a Queen Elizabeth 2 Trust covenant; and
- Documented evidence of the covenant is provided; then,

The Council may remit that portion of the rates calculated on the area so covenanted. Upon receipt of the application the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation for that part of the rating unit, which has been covenanted. (Note: The valuation service provider's decision is final as there is no statutory right of objection, or appeal, for valuations completed this way).

Decisions for remission of rates on land set aside for conservation purposes will be delegated to the Finance and Administration Manager as set out in Council's delegation manual.

6 Rates Remission for a Rating Unit affected by Calamity

6.1 Objectives

- The objective of this remission policy is to permit the Council to remit part or whole of the rates charged in any financial year on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

6.2 Conditions and Criteria

The Council may remit the rates charged on a rating unit if:

- The property is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
- The property is unable to support the activity which it was used prior to the calamity. For example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property in respect of the financial year in which the application was received. There will be no backdating of rates remissions.

Rates remissions (for part or all) may be applied to all rates charged on qualifying properties.

7 Rates Remission for new subdivisions

A remission of all Uniform Charges with the exception of targeted rates for Refuse, Water and Sewerage may be remitted for the second and subsequent lots of a new subdivision as long as the lots remain unsold and unoccupied.

7.1 Objectives

- To facilitate subdivision development in the Otorohanga District.

7.2 Conditions and Criteria

- The subdivided new lots must be unsold and unoccupied
- Rates remission will apply to the second and subsequent lots of the subdivision

8 Remission of Uniform Charges on contiguous properties

Definition of Contiguous:

Sharing an edge or boundary; touching; or separated only by a road, railway, drain, water race, river or stream.

All ratepayers will pay at least one set of uniform targeted rates. A set of uniform targeted rates refers to the Uniform Annual General Charge and all Uniform Targeted rates with the exception of targeted rates for Refuse, Water and Sewerage

8.1 Objectives

This policy provides for the remission of rates where two or more sets of uniform targeted rates are set on rating units that are:

- Contiguous and
- Owned and/or occupied by the same person or persons and
- Used jointly for a single residential or farming use

8.2 Conditions and Criteria

The rating unit must be contiguous

The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each rating unit will attract a set of uniform targeted rates.

The rating unit must:

- In the case of an urban property, be owned by the same ratepayer/s who use the rating units jointly as a single residential property, or
- In the case of a rural property, be separately occupied by the same ratepayer/s who uses the rating units jointly as a single purpose.

- The application for remission must be made to the Council prior to commencement of the rating year (1 July). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

9 Remission of Rates on Rating units with a capital value of \$1,000 or less

9.1 Objectives

To allow Council to act fairly, reasonably and efficiently where rating units have capital valuations of \$1,000 or less

9.2 Conditions and Criteria

Rating units that have a registered capital value of \$1,000 or less held in the District Valuation Roll as at 30 June for the current rating year are eligible for remission of rates.

The remission applied will be 100 per cent of all Otorohanga District Council rates that have been assessed for the rating unit. The Finance and Administration Manager under delegated authority may apply this remission on the ratepayers behalf.

10 Remission of Rates for Excess Water Consumption

10.1 Objectives

To enable the Council to provide relief to ratepayers who have metered properties and have suffered excessive water consumption due to a leak or other similar circumstances.

10.2 Conditions and Criteria

On written application of the ratepayer, and provided that:

- Excess water consumption has occurred through a broken or leaking pipe that realistically was not observable or otherwise noticeable or some other exceptional circumstances; and
- Evidence is provided that the fault has been remedied; and
- No other application for remission for excess water use on the particular meter had been granted in the previous two years; then,

The Council may remit 100% of excess water use for the first affected billing period, and 50% for the second affected billing period. After two consecutive periods, no remission will apply.

Decisions for remission of water-by-volume rates for rating units will be delegated to the Finance and Administration Manager.

11 Rating Units containing two separately habitable units

11.1 Objectives

To enable the Council to provide relief for ratepayers who own a rating unit containing two habitable units but who use the second unit only to accommodate non-paying guests and family.

11.2 Conditions and Criteria

On written application of a ratepayer annually, and provided that:

- Their rating unit contains two habitable units; and
- The second unit is used only for family or friends of the occupants of the first unit on a non-paying basis; and
- The application is accompanied by a Statutory Declaration made by the ratepayer that declares that the previous bullet point has been complied with for the current rating year and will continue to be complied with in the ensuing year; then,

The Council may remit second targeted rates for Water, Wastewater and Refuse Collection. If a rating unit contains more than two habitable units used by non-paying guests and family, only one is entitled to remission.

The application for remission must be made to the Council prior to commencement of the rating year (1 July). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

12 Extreme Financial Hardship

Where an application for rates relief due to financial hardship is received, the Council may remit all or part of rates relating to a rating unit.

12.1 Objectives

To assist ratepayers who experience extreme financial hardship which affects their ability to pay rates.

12.2 Conditions and Criteria

- The policy does not apply to vacant land

- A ratepayer making an application must be the registered owner and occupier of the property in respect of which rates relief is sought.
- The ratepayer must not own any other property in the Otorohanga District or any district.
- The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- It is expected that the ratepayer pays a minimum of \$520.00 per annum towards their rates account, i.e. \$10.00 per week. However, each case will be considered on its merits.
- The Chief Executive has delegated authority to decline an application or remit rates, including rates arrears, of up to \$2,000.
- Any appeals against a decision of the Chief Executive will be referred to Council for final determination.
- A six-monthly summary of all approved hardship applications must be submitted to Council.
- The term rates includes penalties payable on unpaid rates.
- Remissions for Extreme Financial Hardship will be of limited duration, and not ongoing.

13 Care for the Elderly and Disadvantaged Persons

A 100% remission of all rates excluding targeted rates for Water, Wastewater and Refuse Collection may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons.

13.1 Objectives

- To facilitate the operation of charitable groups and institutions.
- To support the services provided by such groups and institutions

13.2 Conditions and Criteria

- Charitable organisations must provide care on a non-profit basis
- An application for rates remission must be made to the Council prior to the commencement of the rating year; rates remissions will not be applied during the rating year or retrospectively.
- The application must include the following information in support of the application:
 - a) Objectives of the organisation.
 - b) Funding and financial information
 - c) Information on activities and programmes

- The Finance and Administration Manager has delegated authority to determine whether the organisation qualifies for rates remission.
- No rates remission will be granted in respect of Targeted rates for Water, Wastewater or Refuse Collection.
- The term rates includes penalties payable on unpaid rates.