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# Remission and Postponement of Rates Policy

## Introduction

The Bay of Plenty Regional Council (Council) may remit rates in accordance with a rates remission policy as set out in Section 85 of the Local Government (Rating) Act 2002.

The region's seven city and district councils collect regional rates. The rating information database for each council is maintained by the relevant council.

This policy covers:

- Environmental Loan Scheme remissions
- Forestry and Bush remissions
- Edgecumbe Urban River Scheme rates remissions
- Rates remissions
- Rates postponements
- Remission and postponement of rates on Māori freehold land

## Environmental Loan Repayment Scheme remission

### Background

The Environmental Loan repayment scheme helps upgrade clean heating devices and install insulation by providing an interest free loan for zero emission products and interest bearing loans for low emission burners and insulation to homeowners. Loan repayments are made via targeted rates.

### Objective

To provide a measure of relief, by way of remission, to assist those people on low incomes who are required to convert to a clean heat source and/or install insulation.

Council recognises that some homeowners on very low incomes might have difficulty meeting the rates payments under the Environmental Loan repayment scheme.

## Criteria and conditions

Ratepayers who take up the Environmental Loan Scheme targeted rates assistance (as listed in Table 1) and who qualify for the Government Rates Rebate Scheme qualify for a remission on the loan repayments of the targeted 'Environmental Loan Scheme' rate.

**Table 1**

Environmental programme	Maximum loan value	Eligibility	Amount
Rotorua Hot Swap (Clean Heat)	\$6,785 incl GST	Government Rates Rebate Scheme	Full amount of targeted rate (for annual loan repayment for financial year) <sup>(1)</sup>

1. *If your loan is for a wood or pellet burner, or insulation then the loan interest is still payable each year.*

Ratepayers who believe they are eligible for rates remission under this policy will need to first contact Rotorua Lakes Council to apply for the Rates Rebate Scheme. Council will then apply the remission automatically on the ratepayer's behalf once it is notified that the ratepayer is eligible for the Government Rates Rebate Scheme.

## Forestry and Bush remission

### Background

Where a rating unit has been planted in exotic forest, or is covered in indigenous vegetation or wetlands, it is considered to have the lowest nitrogen loss of any land use type. Reducing nitrogen loss from land use is a central platform for the Rotorua Lakes Protection and Restoration Action programme.

For this reason, a remission of the Rotorua Lakes Activity Targeted Rate is available for rating units of 10ha and over in the areas that meet the criteria and conditions specified below.

## Objective

To recognise the lesser impact that exotic forestry and indigenous vegetation have on nutrient discharges to water.

## Criteria and conditions

The amount of the remission is the difference between the amount assessed to the rating unit and the amount the rating unit would be liable for if it was assessed in the 0–1.99999ha category.

Remission will be considered where an entire rating unit is covered in any or a mix of the following:

- indigenous vegetation
- wetlands
- exotic forestry.

The remission will only apply where stock are excluded from the rating unit.

Ratepayers who believe they are eligible for rates remission will need to apply in writing before the 31st March in the year before the financial year in which they seek the remission to commence. If the remission is accepted by Council, the Ratepayer does not need to re-apply annually however the Ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

The Council will review the remission annually, which may include review of requests to change land use, aerial photography, site visits or other evidence as considered appropriate.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions on remission of the Rotorua Lakes Activity Targeted Rate.

# Edgecumbe Urban River Scheme remission

## Background

The Rangitāiki-Tarawera River Scheme targeted rates are calculated on land area. In the case of residential rating units in the Edgecumbe area, this led to a small number of urban

properties with large land area incurring extremely high and disproportionate annual rates compared to other urban properties.

For this reason, a remission of the Rangitāiki-Tarawera Rivers Scheme targeted rate is available for Edgecumbe residential urban properties of larger than 4,000 square metres that meet the following criteria and conditions.

Scheme rating maps for all major river and drainage schemes are available from Bay of Plenty Regional Council. For detail on how to access these maps visit our website [www.boprc.govt.nz](http://www.boprc.govt.nz).

## Objective

The objective of the Edgecumbe Urban River Scheme Rate Remission is to:

- provide rates relief and ensure the rates assessed to undeveloped commercial urban properties, in the targeted rate U1 category, with large land area are comparable to other rating units in the Rangitāiki-Tarawera Rivers Scheme,
- provide rates relief and ensure the rates assessed to residential urban properties with large land area are comparable to other residential rating units in the Rangitāiki-Tarawera Rivers Scheme targeted rate U2 category.

## Criteria and conditions

This policy will apply to identified Rangitāiki-Tarawera Rivers Scheme targeted rate U1 and U2 category properties from 1 July 2018.

This remission is conditional on the properties remaining urban undeveloped commercial, urban residential or urban life-style as the principal use.

The amount of the remission is the difference between the amount assessed to the rating unit, and the amount the rating unit would be liable for if it was assessed in the U1 or U2 category (as applicable) for the first 4,000m<sup>2</sup> of land area and the A1 category for the balance of the rating unit's land area.

Council will each year apply the remission automatically for the identified properties.

## General remission and postponement

The rates remission and postponement policies in the following section for each constituent district of the region are the same as those of the territorial authorities for the relevant constituent district.

There are insufficient differences between the city and district council policies to warrant separate treatment for the usually lesser level of Regional Council rates. The Bay of Plenty Regional Council therefore aligns its policies on the remission and postponement of rates with the policies and objectives of each of the seven city and district councils.

Where city and district councils may provide temporary remission for some properties to accommodate a one-off or a short-term specific purpose, such as a transitional change in its own rating system from land-value-based rating to capital-value-based rating, a remission of Regional Council rates will not apply.

The seven city and district councils are authorised to implement the Bay of Plenty Regional Council's decisions on the remission and postponement of its rates, as per the agreements reached.

# Kawerau

## Rates relief for development

### Policy objective

The objective of this policy is to encourage land development in the Kawerau District to stimulate employment opportunities and enhance the economic wellbeing of the community.

### Definitions

#### Development

The development or re-development of any land in the District:

- By constructing, erecting, or altering any one or more buildings on the land for the purpose of providing at least 10 new, or 9 additional household units; or
- By constructing, erecting, or altering any building or buildings, fixed plant and machinery, or other works, intended to be used solely or principally for industrial or commercial or administrative purposes (including hotels, motels and other transient accommodation), or any combination of those purposes; but
- Does not include the sub-division of land.

#### Employment opportunities

Employment creation, employment growth, or employment retention in the Kawerau District.

### Policy statement

#### Eligibility criteria

Council will consider any application for development in the District which can demonstrate that it will be likely to lead to employment opportunities.

#### Form of rates relief

Council may remit or postpone (or a combination of these), part or all of the rates otherwise payable on a property for any period subject to an annual application being made.

Council may impose conditions on the remission of rates and may cancel any remission for non-compliance, or if a project ceases to operate. In those circumstances, Council may require payment of full rates in respect of any year in which rates have been remitted. Council does not consider that granting rates relief according to a strict formula or code is either practical or desirable. This policy is considered to constitute adequate guidelines for the consideration of applications.

#### Factors to be considered

Council will have regard to the following matters when considering applications for rates relief:

- Whether and to what extent, the development will create employment opportunities. (NB: While actual job creation will be a strong factor in favour of granting rates relief, potential for job creation will also be a positive factor).
- Whether and to what extent, the granting of rates relief would be of material benefit to the development and the developer.
- Such other matters as Council may consider relevant.

Council does not consider rates to be of themselves a significant factor in a decision to carry out a new development. However, Council shall take into account the fact that rating relief may use this policy to assist the viability of a development and may use this policy to assist in expediting such a development.

#### Procedures

Applications for rates relief should be addressed to the Chief Executive Officer.

Applications will be required to provide statements of intent, supporting critical statistics and such other information as is reasonably necessary to enable Council to assess the application in relation to this policy.

Every decision of Council shall be publicly notified and the notice shall include:

- The reasons for the decision to approve or decline the application; and
- If the application is approved, the identity of the occupier of the land and the estimated amount of the rates remitted or postponed.

### **Council policy affecting applications**

The provisions of this policy constitute guidelines for the consideration of applications, as the granting of rates relief according to a strict formula is neither practical nor desirable.

The ability of an applicant to meet the above requirements does not in itself constitute a right to rates relief. Council will consider each application on its merits.

## **Rates remission and postponement for Maori Freehold Land**

### **Policy objective**

The objective of this policy is to ensure the fair and equitable collection of rates from all ratepayers, recognising that certain Māori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

### **Principles**

The principles which underpin this policy are:

- That, as provided by section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land.
- That Council will decide on the provision of rate relief on Māori Freehold Land should any applications be received.
- That the policy does not provide for the permanent remission or postponement of rates on the land concerned.

### **Definition**

#### **Maori freehold land**

Means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (that is; the Court has created a title for the land and determined the beneficial owners to that land).

## **Background**

The LGA requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. A policy adopted under this requirement does not need to provide for the remission and postponement of rates on Māori freehold land, but in determining a policy, Council must consider the following matters:

- The desirability and importance within the District of each of the objectives listed below.
- Whether and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- Whether and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land.
- The extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives that Council must consider are:

- Supporting the use of the land by the owners for traditional purposes.
- Recognising and supporting the relationship of Māori and its culture and traditions with its ancestral lands.
- Avoiding further alienation of Māori freehold land.
- Facilitating any wish of the owners to develop the land for economic use.
- Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- Recognising and taking 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 vegetation and significant habitats of indigenous fauna.
- Recognising the level of community services provided to the land and its occupiers.
- Recognising matters related to the physical accessibility of the land.

## Policy statement

Applications for rates remission or postponement should include the following information:

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.

Council may, of its own volition, investigate and grant remission or postponement of rates on any Māori freehold land in the District.

Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.

Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied, based on the extent to which the remission or postponement of rates will achieve objectives described in the background section of this policy. In addition, Council will consider how an application would provide for an efficient collection of rates and the removal of rating debt.

# Rates penalty remission policy

## Policy objective

The objective of this policy is to enable Council to act fairly and reasonably when considering applications for the remission of penalties on rates that have not been received by Council.

## Background

Council presently charges the following penalties on unpaid rates:

- Penalties on current rates that not paid by the due date during the year.
- Further penalties on rates charged in the previous year, which remain outstanding on the 1 October and 1 April each year.

Council has adopted the following remission policy to remit rates penalties as long as specific criteria are met and the ratepayer has settled the outstanding rates.

## Policy statement

All applications for the remission of rates penalties must be in writing.

Rates must be paid in full before Council remits the penalties charged.

Council will consider applications for the remission of rates penalties in circumstances where:

- Significant disruption to the ratepayer such as the death of a family member; or
- Matters outside the ratepayers' control such as a late sales notice, have contributed to a late payment and it is reasonable to remit the penalty; or
- The ratepayer is new to the District and for whatever reason did not receive a rate invoice; or
- The ratepayer (that is in arrears) entered into an acceptable payment arrangement and complied with those arrangements for the payment of all current rates and arrears.

(NB: A ratepayer who has been in arrears and has had penalties remitted will not be eligible for a further remission of rate penalties for a period of 3 years.)

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.



# Opotiki

## Rates remission on general land

### Introduction

The Rates Remission on General Land policy identifies the circumstances where the council will consider rates relief on general land.

## Community, sporting and other organisations

### Preamble

Section 8 of the Local Government (Rating) Act 2002 provides for certain categories of land to have rates assessed not exceeding 50% of the rates that would have otherwise been assessed. These categories of land are more specifically detailed in the Act as:

Part 2:

Land 50% non-rateable:

- Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
- Land owned or used by a society or organisation of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
- Land owned or used by a society or organisation of persons (whether incorporated or not) for the purpose of any branch of the arts.

Notes:

For the purposes of this part, unless the context otherwise requires, land does not include land used for the private pecuniary profit of any members of the society or association. Land, in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.

However, in addition there are other groups which Council believes should have a remission.

### Objectives

To facilitate the ongoing provision of non-commercial (business) community services and non-commercial (business) recreational opportunities for the residents of Ōpōtiki district.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival; and
- 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 part of the policy will apply to land owned by Ōpōtiki District Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit.

The policy will also 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.

Rate remission under this policy will be limited to 50% of the general or targeted rates. No remission will be granted on the targeted rates for water supply, sewage disposal or refuse collection.

Applications for remission must be made on the prescribed form.

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

Council reserves the right to apply this remission to properties it feels fit the criteria.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria.

Decisions under this policy are delegated to the Chief Financial Officer and the Finance Manager.

## Uniform charges on rating units owned by the same owner

### Preamble

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as 1 unit for setting a rate if those units are:

- owned by the same person or persons; and
- used jointly as a single unit; and
- contiguous or separated only by a road, railway, drain, water race, river or stream.

However, sub-divided land owned by a developer while contiguous is not held for the same purpose as each lot can be sold separately to a different purchaser. This has had additional implications where properties of more than one lot are now treated as separate properties. Further there is ownership of properties which to all intent and purposes is similar and which Council consider should have relief under this policy.

### Objective

To provide for relief from uniform charges on land held by a developer or what was formerly a single property but now treated as two or more properties and properties to which the ownership, to all intents and purposes, is similar.

## Conditions and criteria

Rating units that meet the criteria under this policy may qualify for a remission of uniform annual general charges and any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.

The rating units on which remission is made must to all intents and purposes have the same owner. Only one of the units may have any residential dwelling situated on the rating unit.

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

Council reserves the right to apply this remission to properties it feels fit the criteria.

Ratepayers wishing to claim a remission should make an application on the required form (available from the Council Office).

The policy shall apply to such organisations approved by the Council as meeting the relevant criteria. The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Penalties

### Preamble

Council has large rate arrears and it can be an incentive to collection of back years' arrears if some concession is made in collection of these penalties. Further where owners are prepared to enter into formal payment arrangements any penalties incurred through timing of payments should be waived. There are also other extenuating circumstances where it may be just and equitable to waive penalties.

### Objective

The objective of this part of the remissions policy is to:

- enhance the collection of back years' rates;
- enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

## Conditions and criteria

Automatic remission of the penalties incurred on instalments one and two will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the third instalment.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.

Remission of the penalty will 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. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Economic development

### Preamble

The Ōpōtiki District is one where employment opportunities have been few and far between. Council is also concerned that raw products from farming and forestry in the District leave the District for further processing. The Council wishes to attract investment in processing-type industries, and considers that rate remissions during the development phase of investment projects will assist in achieving this objective.

### Objective

To promote employment and economic development within the district by assisting new business.

### Conditions and criteria

This part of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.

Horticultural and residential development may qualify for remission under this part of the policy.

In considering applications for remission under this part of the policy, Council will have regard to the following criteria:

- the likely financial advantage to the district
- employment opportunities
- the extent to which developments of the particular type or types are likely to be promoted or prejudicially affected by the granting of rates remissions

Applications must be made in writing and must be supported by:

- a description of the development
- a plan of the development (where possible)
- an estimate of costs
- an estimate of the likely number of jobs created by the development

Applications for remission for economic development will be considered by Council. In considering applications, Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case by case basis, subject to a maximum amount of 50 percent of rates owing, and a maximum remission period of five years from the commencement of the development. For the purposes of this part of the policy, a project will be viewed as having commenced when resource consent is issued.

In granting remissions under this part of the policy, Council may specify certain conditions before remission 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.

## Land used for natural, historic or cultural and 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 which have some feature of cultural, natural or historic heritage which are 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, e.g. a copy of the Covenant or other legal mechanism.

Applications for the remission for protection of heritage will be considered by Council. In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- the extent to which the preservation or 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 extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

Council will decide what amount of rates will be remitted on a case by case basis.

In granting remissions under this part of the policy, Council may specify certain conditions before remission 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.

## Rates remission for a rating unit affected by a calamity

### Objective

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.

## Conditions and criteria

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

- Land is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
- The land is unable to support the activity for 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 to 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 the qualifying properties.

## Policy rate remission for extreme financial hardship

### Objective

The objective of the policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates and it is considered that the postponement policy for the same purpose is not appropriate.

### Conditions and criteria

Remissions of rates in part or in whole may be given in cases of extreme financial hardship where it is considered by Council that the postponement policy for the same purpose is not appropriate.

The ratepayer must make application to Council on the prescribed form.

The rating unit which is the subject of the application must be used solely as a domestic residence, be the normal place of residence of the ratepayer and the ratepayer must not own any other property in the Ōpōtiki or any other district. (An interest in Māori freehold land in multiple ownership is not included in this exclusion)

The policy does not apply to vacant land.

The remission will be granted to natural persons only.

Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.

The ratepayer must provide any evidence that the Council deems appropriate to support the claim for extreme financial hardship.

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

## Postponement of rates in cases of extreme hardship

### Background

The Council as a large portion of its ratepayers on fixed incomes and is concerned that a portion of these people may have difficulty meeting rates. In particular, elderly ratepayers who are asset rich but income poor. Council considers that the best way of dealing with the issue is postponement of rates until death, and recovering unpaid rates from the estate.

### Purpose

The Postponement of Rates in Cases of Extreme Financial Hardship policy outlines the circumstances and conditions under which a rates postponement is considered. The policy is to assist ratepayers with financial circumstances that affect their ability to pay rates.

### Policy statement

#### Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

### Conditions and criteria

Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit

which is the subject of the application. The person entered on council's rating information database as the 'ratepayer' must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to council on the prescribed form (copies can be obtained from Council's Office).

The Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:

- age
- physical or mental disability
- injury
- illness
- family circumstances

Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- the death of the ratepayer(s); or
- until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- until the ratepayer(s) ceases to use the property as his/her residence; or
- until a date specified by Council

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year. The fee that will be charged each financial year is \$50.

Even if rates are postponed, as a general rule, the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The 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.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## Delegations

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates postponement on Maori Land Policy

## Background

The Rates Postponement on Māori Land policy explains the circumstances where rate relief can be granted.

## Purpose

To facilitate the development and use of the land for economic use where Council considers utilisation would be uneconomic if full rates are required during the years of development and establishment of pasture or crop.

## Policy statement

### Conditions and criteria

Council will consider postponement of rates where previously unoccupied land is subject to clearing, development, and the growing of crops.

Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of Council.

Making application should include the following information in their applications:

- details of the property

- the objectives that will be achieved by providing postponement
- details of the proposed development

Council will consider postponement for each individual application according to the circumstances of that application.

No postponement will be granted on targeted rates for water supply, sewage disposal, or refuse collection.

Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

## Delegations

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rotorua

## Brief statement

Council has the following rates relief policies (and a grant in lieu of remission policy), effective from 1 July 2015, pursuant to the Local Government (Rating) Act 2002, as follows:

- Remission of penalties on current overdue instalments;
- Remission of penalties on current overdue metered water invoices;
- Remission of penalties on arrears (including past overdue instalments);
- Remission of rates on land used for certain purposes;
- Policy for grants in lieu of rate remissions;
- Remission of targeted rates for sewage from schools;
- Remission of rates for QEII National Trust Open Space Covenants;
- Remission of rates in extraordinary circumstances;
- Remission of metered water charges where leak has been detected and repaired;
- Discount for early payment of rates;
- Remission policy on uncollectable rates;
- Remission of targeted rates for capital cost of sewerage schemes on payment of capital cost owing;
- Remission of rates on Māori freehold land;
- Rates postponement;
- Postponement of rates on Māori freehold land

Generally, all first time remissions and postponements approved will apply from 1 July in the year in which they are applied for. Subsequent applications will require necessary supporting documentation to be provided in accordance with the renewal process as advised by Council. The exception will be remission of arrears penalties.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy. As a general rule, and where practicable, documentary evidence or statutory declaration should be provided in support of a written application.

Applications for remission or postponement or a grant in lieu of remission, must be in writing unless otherwise indicated in a policy.

All rates remission policies are at the discretion of Council, having regard to both the policy and circumstances.

## Remission of penalties on current overdue instalments

### Policy objective

Is to enable Council to act fairly and reasonably, in its consideration of penalties on rates, where payments have not been received by Council's due date.

### Conditions and criteria

Council will remit a penalty on the first instalment when the full year's rates are paid before the penalty date for the second instalment.

Council will consider remission of penalties on a current overdue instalment when the late payment has resulted from:

- significant family disruption, including death, illness or accident to a family member as at the due date; or
- matters outside the ratepayer's control, including payments going astray in the post, non-receipt of the instalment notice before penalty date, the late issue of a sale notice, and a late clearance payment by the solicitor on a property settlement.

Council may also consider remission of a penalty when the late payment has apparently been inadvertent and the ratepayer has a good payment history.

"Good payment history" would generally be where there has been no penalty incurred during the previous 12 months.

All remissions will be considered on their merits and remission will only be given where Council considers it just and equitable to do so. Applications for remission must be in writing.

# Remission of penalties on arrears

(arrears comprises rates from any previous rating year)

## Policy objective

To enable Council to act fairly and reasonably in its consideration of penalties on rates that are in arrears.

## Conditions and criteria

Council will consider remission of penalties on arrears when:

- a request for remission has been made in writing; and
- the request includes full supporting reasons and evidence satisfactory to Council; and
- the remission contributes to prompt settlement in full of the remaining debt or to the sale of the property and clearance of the debt in the short term.

## Conditions and criteria for remission of future penalties on arrears and on future instalments in cases of severe hardship

Council will consider remission of future penalties on arrears in cases of severe hardship when:

- a request for remission has been made in writing; and
- the request includes full supporting reasons and evidence satisfactory to Council; and
- the purpose of the request is for the ratepayer to reach and maintain fully paid status; and
- the ratepayer enters into a rates settlement arrangement that provides for collection of both current rates and arrears in full over an acceptable timeframe, provided that:
  - the arrangement will be annulled if the applicant does not adhere to it; and
  - Council may vary the arrangement on request; and
  - Council may in extreme cases elect to also remit some or all of the penalty arrears existing at the time the arrangement was entered into if the arrangement has been adhered to and this brings about settlement in full.

All remissions will be considered on their merits and remission will only be given where Council considers it just and equitable to do so.

# Remission of rates on land used for certain purposes

## Policy objective

To facilitate the ongoing provision of non-commercial community services and non-commercial sporting and recreational opportunities for the residents of the district. Providing rates remissions will achieve this by assisting the organisation's survival and making services 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 part of the policy will apply to land owned or occupied by a charitable, sports or recreation organisation where they are recorded in Council's Rating Information Database as the ratepayer or are occupying Rotorua Lakes Council reserve, and which is used exclusively or principally for sporting, recreation or community purposes. For the purposes of this policy the terms "occupied" means exclusive use of all or part of a rating unit.

The policy does not apply to organisations operated for private pecuniary profit, and volunteer labour will be a predominant resource of qualifying entities.

This policy is designed to assist the survival of organisations that would otherwise struggle financially and, as such, those that are considered to receive adequate funding from other sources will not qualify for assistance under this policy.

Applications for remission must be made on the prescribed form (available from the council offices). New applications for rate remission should be made to the council prior to the commencement of the rating year. Organisations that successfully applied in the previous year must re-apply, and their re-application must be received by 15 June prior to the rating year being applied for.

Organisations making applications should include the following documents in support of their application:

- Statement of objectives; and
- Constitution or rules or equivalent; and



- Financial accounts; and
- Information on activities and programmes; and
- Details of membership or clients.
- The policy shall apply to such organisations as approved by the council as meeting relevant criteria.

Remission for successful applicants using land for sporting or recreation purposes is 50% of the non-service-related rates applicable to the exclusive use part of the rating unit occupied.

The remission for successful applicants using land for community purposes is 100% of the non-service-related rates applicable to the exclusive use part of the rating unit occupied.

## Policy for grants in lieu of rate remissions

This policy is not part of Rotorua Lakes Council's rates remission policies. However reference to it is included here to highlight its availability to ratepayers who previously, but no longer, qualify for the "certain purposes" remission, due to changes in legislation, i.e. the Local Government (Rating) Act 2002 specifies who must be entered as ratepayers in the Rating Information Database.

Council may provide grants in lieu of rates through its community assistance programme to organisations which are not entitled to rate remission because they are not the ratepayer under the Local Government (Rating) Act 2002). The intention is to mitigate any adverse financial impact of provisions in the Local Government (Rating) Act 2002, on affected organisations.

For further details of Council's community assistance (grants) schemes, please refer to the Community Engagement activity section in the Long-term Plan.

## Remission of rates for Queen Elizabeth II National Trust Open Space Covenants

### Policy objective

To provide rates relief where land is legally protected under a QEII Open Space Covenant.

### Conditions and criteria

Council will consider remissions of rates on land that has a QEII Open Space Covenant where the land or portion of land has a legal binding QEII Open Space Covenant registered on the title.

Calculation of such remissions are to be on a case-by-case basis, with the determination of land value for the covenanted land to be made by Council's Valuation Service Provider.

## Remission of rates in extraordinary circumstances

### Policy objective

It is recognised that not all situations in which the council may wish to remit rates will necessarily be known about in advance and provided for in Council's specific policies. The purpose of this part of the policy is to provide for the possibility of rates remission in circumstances which have not been specifically addressed but in which, for the reasons set out below, Council considers it appropriate to remit rates.

### Conditions and criteria

Council may remit rates on a rating unit where it considers it just and equitable to do so because extraordinary circumstances arising from a change to Council's Rating or Rates Remission policies have resulted in unintended consequences for a rating unit.

The amount of any such relief will be determined by Council having regard to the quantum of additional rates caused by the extraordinary circumstances.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Discount for early payment of rates

### Policy objective

To provide a discount to ratepayers who choose to pay their annual rates in full by the due date for the first instalment.

### Conditions and criteria

A discount will be allowed to early payment of rates in compliance with the following conditions:

- The discount will be allowed for any ratepayer who pays the total annual rates as specified on the rates assessment, by the due date for the first instalment;
- The discount will not apply to charges for water by meter;
- The discount will be at a rate fixed annually by resolution.

## Remission policy on uncollectable rates

### Policy objectives

To allow for situations where all practicable methods of enforcing rates collection have been exhausted and where it is in the council's and ratepayers best financial interests to remit such rates. One benefit of this is to achieve early recovery of the GST content of these uncollectable rates instead of having to wait until expiration of six years as required by the Limitation Act 2010, which then prompts write-off of the debt and recovery of the GST at that time. Most, if not all properties that meet this objective, are expected to be multiple owned Māori Freehold Land that is unoccupied and unused.

To allow for situations where due to the relatively small size of the amount owing it is not economical to collect such rates debts.

### Conditions and criteria

All rates, both arrears and current, including service charges, will be remitted in cases where the council considers either of the above objectives will be achieved. This policy will be applied at Council's instigation.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

Properties receiving a remission under the above are to be reviewed whenever fresh aerial images are available to confirm or otherwise their continued remission status.

## Remission of rates on Maori Freehold Land

In developing this policy Council has given consideration to how either providing or not providing rates remissions would contribute to the following objectives.

### Objectives

- Supporting the use of the land by the owners for traditional purposes.
- Recognising and supporting the relationship of Māori, and their culture and traditions, with their ancestral lands.
- Avoiding further alienation of Māori freehold land.
- Facilitating any wish of the owners to develop the land further for economic use.
- Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.
- Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- Recognising and taking account of the importance of the land for community goals relating to:
  - the preservation of the natural character of the lakes environment
  - the protection of outstanding natural features
  - the protection of significant indigenous vegetation and significant habitats of indigenous fauna
- Recognising the level of community services provided to the land and its occupiers.

- Recognising matters relating to the physical accessibility of the land.
- Encouraging productive use or occupation of part or all of the land and payment of rates on part or all of the land.
- Taking into account other factors (e.g. value of land based on highest and best use, compared with actual or most practical use) that contribute to the block being unoccupied and unproductive.

## Special conditions and criteria

50% rates remission may be provided where any of the objectives 1-9 are supported.

75% rates remission may be provided for a period of 5 years where land that is previously not used is brought into productive economic use. After 5 years the remission will be either removed or reduced where conditions continue to prevent full economic use of the land, e.g. zoning value, access difficulties, flooding or erosion. This remission may only be applied for once every ten years in respect of the same property. (objectives 4 and 10 supported).

Multiple sets of uniform annual general charges and uniform targeted rates may be remitted where multiple rating units are being used as one property, e.g. forestry, farming. Rating units need not necessarily be contiguous (objectives 4 and 10 supported).

Part of the rates may be remitted where some other aspect beyond the reasonable control of the owners prevents the full economic use of the land e.g. access, flooding, erosion etc. Remission amount will be on a case by case basis at the discretion of council (objective 9 supported).

Part of the rates may be remitted where:

- The land is multiple owned and unoccupied, and
- Remission of part of the rates assessed will enable all or part of the land to be utilised, and enable payment of the balance of the rates assessed (objective 10 supported).

Part of the rates may be remitted where:

- The land is multiple owned, and
- The rateable value exceeds the value that is relevant for the purpose for which the land will be used, e.g. land is zoned residential yet is used for farming (objective 11 supported).

Calculation of remissions under objective 11 are to be on a case by case basis, with the determination of 'actual use' rateable value to be made by Council's valuation service provider.

## General conditions and criteria

If any remaining rates after a remission is applied are not paid by the relevant due date no further remission will be provided.

No remission of service charges will be provided.

No rates postponements will be provided on Māori freehold land.

Consideration will be given to the following matters (but not limited to these) as part of the decision-making process:

- The number of owners
- The rateable land value per hectare relative to similar parcels of land
- Any restriction of access, bearing in mind this will have been accounted for to some extent by Council's valuers
- Potential for future use/economic development of the land.

For the purposes of this policy, multiple owned Māori freehold land means Māori freehold land owned by more than two persons.

Each case will be considered on its individual merits at Council's discretion. This means that an application for remission that seems to meet the conditions and criteria may not necessarily be approved.

Properties approved to receive a remission will be subject to regular review and generally this will be on an annual basis.

Application for rates remissions under any of the above conditions is required to be submitted on the 'MFL remission application form'.

## Rates postponement

### Policy objective

To give ratepayers a choice between paying rates now or later, subject to the full cost of postponement being met by the ratepayer and Council being satisfied that the risk of loss in any case is minimal.

### General approach

Only rating units defined as residential, and used for personal residential purposes by the applicant(s) as their sole or principal residence, will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely, or until the sale of the property, if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. Where the ratepayer is younger than 65, current and all future rates may be postponed to a date not more than 15 years from June 30th in the rating year in which the application was made. The applicant may elect to postpone the payment of a lesser sum than that which they would have been entitled to have postponed under this policy.

Owners of units in retirement villages will be eligible; provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure fairness between ratepayers who use the postponement option and those who pay as rates are assessed.

Council will establish a reserve fund to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure that neither the ratepayer(s) nor the ratepayer(s)' estate will be liable for any shortfall.

## Criteria and conditions

### Eligibility

Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes. This includes, in the case of a family trust owned property, use by a named individual or couple. People occupying a unit in a retirement village under an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit, with the agreement of the owner of the retirement village

### Risk

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid, is negligible. To determine this, a specifically designed actuarial model has been developed that will forecast, on a case-by-case basis, expected equity, when repayment falls due. If that equity is likely to be less than 20%, the council will offer partial postponement, set at a level expected to result in final equity of not less than 20%.

### Exclusions

At present, the law does not allow councils to register such a charge against Māori freehold land. Accordingly, Māori freehold land is not eligible for rates postponement (unless and until the law is changed so that the council can register a statutory land charge).

### Insurance

The property must be insured for its full value and evidence of this produced to Council annually.

To assist ratepayers who are currently uninsured, Council is anticipating the development of a group insurance policy to provide all risks cover, designed to keep cover against catastrophic loss to a minimum cost. The premium will be treated as part of the postponement fee and therefore come within the postponement arrangements.

Arrangements for the group insurance policy are currently on hold, but Council will continue to monitor progress.

### Mortgage

Postponement of rates on a property subject to mortgage will be available only if Council holds a letter from the mortgagee agreeing to the postponement.

### Independent advice

To protect Council against any suggestion of undue influence, applicants will be referred to an appropriately qualified and trained independent agency contracted by Council. The agency will work with the applicant, to ensure they are aware of all aspects of the policy, before deciding to proceed with postponement. A certificate confirming this will be required by Council before the postponement is granted. The cost of this is included in initial charges set out in the Funding Impact Statement.

### Rates able to be postponed

All rates are eligible for postponement except for: targeted rates for water supplied by volume (water by meter rates) and lump sum options.

### Security

Postponed rates will be registered as a statutory land charge on the rating unit title. This means Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Postponement will not be granted if a statutory land charge cannot be registered on the rating unit Certificate of Title.

Council has the right to decline postponement if the property is situated in a known hazard zone.

### Conditions

Any postponed rates (under this policy) will be postponed on the following conditions:

- Until the death of the ratepayer(s) or named individual or couple, (in this case the council will allow up to 12 months for payment so that there is ample time available

- to settle the estate or, in the case of a trust owned property, make arrangements for repayment); or
- Until the ratepayer(s) or named individual or couple ceases to be the owner or occupier of the rating unit. (If the ratepayer sells the property in order to purchase another within the council's district, Council will consider transferring the outstanding balance, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
  - If the ratepayer(s) or named individual or couple continue to own the rating unit, but are placed in residential care, Council will consider them to still be occupying the residence for the purpose of determining when postponement ceases and rates are to be paid in full; or
  - Until a date specified by Council.

### **Payment**

The 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 have been entitled to have postponed pursuant to this policy.

### **Review or suspension of policy**

The policy is in place indefinitely and can be reviewed, subject to the requirements of the Local Government Act 2002, at any time. Any resulting modifications will not change the entitlement of people already in the scheme, to continued postponement of all future rates. Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council's rating information database. This will require the ratepayer(s) for that property to pay all future rates but will not require any payment in respect of rates postponed up to that time. These will remain due for payment on death or sale.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

### **Procedures**

Applications must be on the required form. The policy will apply from the beginning of the rating year in which the application is made, although Council may consider backdating past the rating year in which the application is made, depending on the circumstances.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

### **Postponement of rates on Maori freehold land**

Council's policy in respect of postponement of rates on Māori freehold land follows past policy. This is to not postpone rates but to use the remission policy where appropriate.

# Taupo

## General considerations

When considering any remission Council will take into account the circumstances at the time the rates are set. Rates may be fully or partially remitted where there are a small number of properties where Council considers that their different characteristics warrant a remission.

## Rates remission for Lake Taupo Lakebed and Lakeshore Reserve

### Policy objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupō and the environs in a natural state
- To recognise the special characteristics and the immense value of Lake Taupō to the district
- To take into consideration that whilst the hydro lakes are used for storage, retention, taking, discharge, conveyance and drainage of water for commercial purposes, they are also open to the public for enjoyment and recreational activities
- To recognise owners of lakeshore properties who are making a contribution toward lake and lake catchment environmental protection
- To support the Long Term Plan community outcome: 'A vibrant region'.

### Conditions and criteria

In relation to the Lake Taupō lakebed land:

- Remission is available to rating units which contain in full or in part the Lake Taupō lakebed where the title for the lakebed is in private ownership
- Remission is available to the rating unit where the owners recognise the significance of public access to the lake and environs and operate the land as if it was a public reserve

- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating unit where the owners recognise the objectives of this policy and the land meets the conditions and criteria
- The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy

In relation to Hydro Lakes, lakebed:

- Remission is available to the land where the owners and ratepayers recognise the significance of public access to the lake and environs and operate the land as if it is a public reserve
- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units
- The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy

In relation to Lakeshore reserve:

- Remission is available to land that was previously designated as part of the proposed lakeshore reserve scheme
- 100% remission of all rates and charges shall be given to qualifying rating units or parts of rating units where the owners recognise the objectives of this policy and the land meets the conditions and criteria
- Land must be unoccupied, undeveloped, and have no source of income derived from it
- If any part of the land is or becomes used or occupied that portion may be demarcated and treated as a rating unit for the purpose of assessing rates
- Use of land will be continually monitored
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply
- The signed declaration form must be received by Council within the time frame given on the form
- Rates must be paid until the ratepayer is advised that their application has been granted
- The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy

# Rates remission for community, sporting and other organisations

## Policy objectives

- To provide rates remission that will assist non-commercial, not-for-profit-organisations to provide care, relief or assistance to any person in the community that is in need for free.
- To facilitate the ongoing provision of non-commercial, not-for profit, voluntary, community and sporting services to any person in the community.
- To assist the organisation's survival.
- To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, students, young families, aged people and economically disadvantaged people.
- To support the Long Term Plan community outcome: 'A vibrant region'.

## Conditions and criteria

Remission is available to land occupied or used by a not-for-profit organisation (including a society, association or organisation, whether incorporated or not) which:

- is non-commercial and
- is carried on for the free maintenance (care), relief or assistance of persons in need or provides voluntary community or voluntary sporting services and
- is available to any person in the community

The organisation's purpose meets the objective.

100% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for rating units without a permanent liquor licence.

50% remission of rates and charges, excluding those for water (including water by meter), sewerage and refuse disposal, will apply for rating units with a permanent liquor licence.

Applications for remission must be made on the approved declaration form, and the supporting information required must be relevant to the rating unit (or part of the rating unit) that the application for rate remission is for.

An application must include:

- a signed statement from the organisation's treasurer that declares no profit is derived from its activity and

- full financial accounts including the balance sheet, income statement, and the cash flow statement and
- a statement of objectives and
- information on activities and programmes and
- details of volunteers, and paid employees and
- details of members and membership criteria and
- documentation clarifying liquor licence status

Applications for remission must be completed every two years

Rates must be paid until the ratepayer is advised that their application has been granted.

The policy does not apply to organisations operated for private pecuniary profit

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates postponement for extreme financial hardship

## Policy Objectives

- To provide rating relief to ratepayers experiencing extreme financial hardship
- To support the Long Term Plan community outcome: 'A vibrant region'.

## Conditions and criteria

The policy does not apply to vacant land and only applies to residential properties owned by natural persons- not companies, trusts, organisations or other similar ownership structures

Rates postponement is available to ratepayers who are receiving national superannuation or a pension e.g. widow's benefit, or are 65 years of age or older

Application for postponement can only be made by the legal owner of the property and they must have owned a residential property, and therefore have been a residential ratepayer in the Taupō District for at least 10 years

The applicant must not own any other properties in the Taupō District or any other district

The postponed rates are the total of the difference between 90% of the annual rates for the rating year prior to the commencement of the postponement and the rates set annually thereafter for the property until the postponement ceases. (Qualifying applicants shall

pay 90% of the annual rates assessed in the rating year immediately prior to the first year of postponement qualification. This amount shall then remain fixed until postponement ceases)

Age, physical or mental ability, injury, illness and family circumstances are considered when deciding on postponement eligibility. Any postponed rates will be postponed until the:

- death of the ratepayer(s); or
- ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- ratepayer(s) ceases to use the property as his/her residence; or
- date specified by the Council in the postponement agreement; or
- ratepayer does not meet qualifying criteria as set out in the declaration form which must be completed and returned to Council every two years for review.

The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

Postponed rates will be registered as a charge on the rating unit under the Statutory Land Charges Registration Act 1928. No dealing with the land may be registered by the ratepayer while the charge is in place, except with the consent of the local authority.

All rates that have been postponed will become payable when qualification of postponement ceases

Ratepayers applying for rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstances by completing the declaration form.

When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council that shall:

- State the amount of postponement
- State the time frame or conditions upon which the postponed rates will become due and payable
- Acknowledge that the postponed rates will be registered as a charge against the land
- Require the applicant to have sought legal or other professional advice prior to signing the agreement
- Be signed by both parties.

When rates postponement payment obligations have been met by the ratepayer, Council will undertake to remove the land charge from the registered title of the rating unit.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Remission of rates penalty

### Policy objectives

To enable Council to act fairly and reasonably in its consideration of penalty remission for rates which have not been received by the Council by the due date caused by circumstances outside the ratepayer's control.

To support the Long Term Plan community outcome: 'A vibrant region'.

### Conditions and criteria

Council will remit penalties on rates where any of the following apply:

- A bereavement in the ratepayer's family occurred around the time the instalment was due
- There was serious illness (in the ratepayer's immediate family) around the time the instalment was due
- The ratepayer has a good payment history (being three clear years without any penalty having been added).
- Payment has been arranged prior to penalty date but not received and payment is made within two weeks of the penalty notification being issued (satisfactory evidence may need to be provided)
- The envelope with rates payment is postmarked on or before penalty date but is received after penalty date
- An office error has occurred.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

Requests to remit rates penalties for reasons other than those specified above are to be considered by the Finance Manager.

Applications to remit rates on any one rating unit over \$100 for reasons other than those specified are to be decided upon by the Chief Financial Officer or Finance Manager.



# Rates remission and postponement on Maori Freehold Land

## Policy objectives

- To recognise that to continue to assess rates on non-income producing Māori freehold land is counterproductive to both owners and Council
- To recognise the special characteristics of Māori freehold land
- To provide incentives for owners to develop their Māori freehold land and to facilitate any wish of the owners to develop the land for economic use
- To support the use of the land by the owners for traditional purposes
- To recognise and support the relationship of Māori and their culture and traditions with their ancestral lands
- To avoid further alienation of Māori freehold land
- To recognise and take into account the presence of waahi tapu that may affect the use of the land for other purposes
- To recognise and take into account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
- To recognise and take into account the importance of the land for community goals relating to:
  - Preservation of the natural character of the lakeshore environment
  - Protection of outstanding natural features
  - Protection of significant indigenous vegetation and significant habitats of indigenous fauna
- To recognise the level of community services provided to the land
- To recognise matters related to the physical accessibility of the land
- To support the Long Term Plan community outcome: 'A vibrant region'.

## Postponement of rates on Maori freehold land

Council does not provide for any postponement of rates on Maori freehold land.

## Conditions and criteria

This policy applies only to land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

Maori freehold land that is:

- non-income producing
- in its natural state or undeveloped state
- not occupied
- in multi ownership

qualifies for 100% remission of all rates and charges.

Where land is being developed by the owners themselves, or is vested in a Māori Trust or similar body whose function is to develop the land, rates are payable on a sliding scale over a five-year programme as follows:

- Year 1 – 20% payable and 80% remitted
- Year 2 – 40% payable and 60% remitted
- Year 3 – 60% payable and 40% remitted
- Year 4 – 80% payable and 20% remitted
- Year 5 – 100% payable

Qualification of remission will be reviewed every 3 years in accordance with the policy.

Remission is only applicable where a declaration form has been completed and returned to Council within the time frame given on the form.

Remission will be applied annually to those properties that qualify under the policy, until the qualifying criteria is no longer met. 'Use' of land will be continually monitored.

If any part of the land is or becomes used or occupied that portion may be demarcated and treated as a rating unit for the purpose of assessing rates.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Natural disaster rates remission

## Policy objectives

This policy is to allow Council, at its discretion to remit all or part of any rate charged on any rating unit categorised in the District Valuation Roll as residential or lifestyle that has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation – deluge/flood/torrent, or earthquake) rendering dwellings or buildings uninhabitable and requiring activities carried out on the land to cease. This policy is aimed at aiding those ratepayers most adversely affected.

To support the Long Term Plan community outcome: 'A vibrant region'.

## Conditions and criteria

The Council may remit all or part of any rate assessed in the district in respect of rating units categorised in the District Valuation Roll as residential or lifestyle, if the land is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation – deluge/flood/torrent, or earthquake) and

- as a result dwellings or buildings previously habitable were made ‘uninhabitable’\*; and
- the activities for which the land and/or buildings were used prior to the disaster are unable to be undertaken or continued

\*For the purposes of this policy ‘uninhabitable’ shall mean:

- a building cannot be used for the purpose it was intended due to a ‘s124 notice’ being issued under the Building Act 2004, and that the residents have been required to move out by the Council, and the property is not being used
- a dwelling or building that is a total loss or
- as determined by Council after taking into account the matters specified in the above clause of this policy

The decision to remit all or any part of a rate shall be at the sole discretion of the Council.

In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account:

- the extent to which essential services such as water, or sewerage to any dwelling or building were interrupted and could not be supplied;
- whether essential services such as water or sewerage to any dwelling or building are able to be provided; and
- whether any part of the building or land remains habitable or available for use

The Council may refuse to grant a remission even where the conditions set out in the previous clauses are met by a ratepayer. The Council is unlikely to grant a remission where the land affected is in a known hazard prime location.

The extent of any remission shall be determined by the Council and will:

- consider the available funding at the time of the event
- determine the rates that will be remitted
- decide – based on the extent and nature of the event whether an application for remission is required from the ratepayer or whether the Council will automatically apply the remission for properties that qualify under the criteria

Each natural disaster event will be considered for rates remissions on a case by case basis by Council.

# Tauranga

## Objectives

To enable Council to acknowledge the special circumstances of particular ratepayers.

To provide targeted financial relief to community organisations.

Provide relief to ratepayers who have excessive water rates due to a leak.

## Definitions

**General rate** is a rate that the local authority sets for the general purposes of the local authority.

**Uniform Annual General Charge (UAGC)** is a fixed dollar rate set on each separately used or inhabited part of a rating unit for the general purposes of the local authority.

**Wastewater rate** is a fixed dollar targeted rate set on the number of water closets and urinals within the rating unit.

**Ratepayer** is the person or persons identified in Council's rating information database as the person liable for rates – generally that person is the owner of the rating unit.

**Rates penalty** is an additional rates charge made when payment is not received by the due date specified.

**Rating unit** is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criterion is the existence of a separate certificate of title.

**Remission** means the requirement to pay the rate for a particular financial year is forgiven in whole or in part.

**Residential** means a rating unit whose permitted activity in the Tauranga City Plan is residential, rural or conservation.

**Commercial** means a rating unit whose permitted activity in the Tauranga City Plan is commercial or industrial.

Policy statement

### General consideration

When considering any remission Council will take into account the circumstances at the time the rates are set.

### Remission of Uniform Annual General Charge (UAGC)

Council may remit on application the additional UAGC for a separately used or inhabited part of a rating unit where a person is unable to fully utilise the unit's facilities e.g. due to disability and/or age.

Utilities owned by Tauranga City Council will receive 100% remission of Uniform Annual General Charges (as such rates would otherwise be indirectly recovered from ratepayers).

### Remission of general rates

Utilities owned by Tauranga City Council will receive 100% remission of General rates (as such rates would otherwise be indirectly recovered from ratepayers).

### Rates penalty

In order to provide relief of penalties incurred on unpaid rates where specific events or circumstances have occurred, Council will remit penalties on rates where any of the following apply and a remission application has been received:

- An agreement has been reached for the ratepayer to make payment within two weeks of the penalty being issued or make regular automatic payments to settle all arrears and current rates within the current rating year, and the ratepayer has a good payment history (being three clear years' history without penalty).
- A bereavement, serious illness or relationship breakdown in the ratepayer's family occurred around the time the instalment was due.
- The penalty is less than \$10.00 for any rates excluding water rates or \$2.00 for water rates.
- An administrative error.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

### **Community and Not-for-Profit Organisations**

In order to provide relief to applicable community and not-for-profit organisations, who deliver social benefits to the community where neither government nor business is best or appropriately placed to do so Council will allow the following:

Land used for a place of religious worship, Marae or not-for-profit early childhood centres with a non-rateable status under the Local Government (Rating) Act 2002 may be remitted 66.66% of the Wastewater rate.

Land used for a place of religious worship or Marae with a non-rateable status under the Local Government (Rating) Act 2002 may receive full remission of the water base rate over the minimum base rate where there is a water meter connection greater than 20 millimetres.

Land used primarily for the promotion of sport, art, health, recreation or education and not used for private pecuniary profit may receive a 100% remission on General rates. These organisations must provide evidence of a significant portion of local community voluntary contribution to operations and funding (other than from Government Agencies).

This remission will not apply to land used for organisations who are affiliated or who could be affiliated to Clubs New Zealand Incorporated or used for horse racing.

Land designated a Māori Reservation under the Te Ture Whenua Māori Act 1993, excluding land used for permanent housing, will be granted a 100% remission on General rates.

### **Remission for natural disasters and emergencies**

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so.

Individual events causing a disaster or emergency are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time.

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

### **Remission for buildings undergoing earthquake strengthening**

In order to provide relief to ratepayers of commercial properties in Tauranga City that are undergoing earthquake strengthening, including rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of the general rate where it considers it fair to do so.

Applications must be received before 1 July prior to the year when the remission is to apply. If the earthquake strengthening work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

### **Remission for buildings undergoing earthquake strengthening**

In order to provide relief to ratepayers of residential properties in Tauranga city, that are undergoing rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit rates to the extent that rates would be assessed on that land, as if it was a vacant rating unit.

Applications must be received before 1 July prior to the year when the remission is to apply. If the rebuilding work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

Applications must meet the relevant criteria as approved by the Chief Financial Officer and Finance Manager.

### **Exceptions**

Rates may be fully or partially remitted where the Chief Financial Officer and/or Finance Manager considers that the characteristics of land use, location or special circumstances warrant a remission. Any remission granted under this section is to be reported to the appropriate Council Committee.

### **Relevant delegations**

With the exceptions of decisions required to be specifically made by Council or the relevant Council committee the Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy

## **Remission and postponement of rates on Maori Freehold Land**

### **Policy objectives**

To enable Council to acknowledge the special circumstances where there is no occupier or person gaining an economic or financial benefit from the land.

To provide relief for land that is appropriately set aside for non-use due to its natural features.

To provide relief where the land may be physically inaccessible.

To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

To grant remission for the portion of unoccupied land where a block of land is partially occupied.

To facilitate the development and use of the land for economic use where Council considers utilisation would be uneconomic if full rates are required during the years of development.

## Principles

The overarching principles identified in the Revenue and Financing policy apply.

Under Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land.

Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non collectible.

## Definitions

**General Rate** is the rate that the local authority sets for the general purposes of the local authority.

**Maori Freehold Land** is land which has beneficial ownership that has been determined by a Freehold Order issued by the Maori Land Court.

**Occupied land** is land used as a place of residence, or occupied for a period of time exceeding six months in a calendar year.

**Ratepayer** means the person or persons identified in the rating information database as the person who is liable for rates – generally that person is the owner of the rating unit.

**Rating Unit** is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criteria is the existence of a separate certificate of title.

**Remission** is the requirement to pay the rate for a particular financial year is forgiven.

**Residential** means the use of land and buildings for domestic or related purposes.

**Services Charges** are a targeted rate specifically relating to the provision of water and waste water services to a rating unit.

**Unutilised Land** is land that has not been developed from its natural state and not generating revenue and not used in any way, other than for the purposes of vegetation control

**Waahi Tapu** means the place sacred to Maori in the traditional, spiritual, religious, historical, or mythological sense. Those places defined as ‘waahi tapu’ vary from hapu to hapu.

## Policy statement

In determining this policy, Council has considered the matters set out in Schedule 11 of the Local Government Act 2002.

### Rates remission

Tauranga City Council will assess all Maori freehold land on an annual basis to determine the eligibility of rates remission using the below criteria.

Remissions will also be considered on receipt of a remission application, to ensure an opportunity for specific properties to be considered on a case-by-case basis exists.

Applications for remission must be in respect of Maori freehold land.

Applications for remission are to specify:

- the number of owners on the land; and
- the physical location of the land; and
- the nature and extent of any Waahi Tapu and the impact of that Waahi Tapu on land development and usage; and
- the amount of income being derived from the block; and
- whether the land is occupied and to what extent it is occupied; and
- whether the block of land is connected to council services e.g. water and sewerage; and
- whether there are any potential development options for the block of land.

Consideration of the above will determine whether a remission will apply.

## Level of remission

### Occupied properties

The level of remission will be negotiated with an owner or occupier according to the benefits of occupation, having regard to equity with charges made to other ratepayers. No remission will be applied to Uniform Annual General Charges on occupied land.

### Unoccupied properties with multiple owners

Where the land is unoccupied, unutilised, not suitable for occupation and ownership is fragmented so that any form of collection action is impractical, then full or partial remission may be granted to both General rates and Uniform Annual General Charges.

### Partitions for building sites subject to Te Ture Whenua Maori Act 1993

Rates may be remitted on vacant Maori freehold land which has been partitioned under Te Ture Whenua Maori Act 1993 and the land has two or less owners.

### Postponement of rates

A postponement of rates will be considered on receipt of an application and where land is:

- unoccupied; and
- has no service connection; and
- has the potential for development

When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council and will:

- state the amount of postponement; and
- state the timeframe or conditions upon which the postponed rates will become due and payable; and
- acknowledge that the postponed rates will be registered as a charge against the land; and
- be signed by both parties.

The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

### Relevant delegations

With the exception of decisions required to be specifically made by Council or the relevant Council committee, the Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Rates postponement

### Policy objectives

To provide rating relief to ratepayers experiencing extreme financial hardship

To provide rating relief to ratepayers whose farmland has increased in value due to the potential residential, commercial or other non-rural use.

## Principles

The overarching principles identified in the Revenue and Financing Policy apply.

## Definitions

**Farmland** means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock.

**Ratepayer** means the person or persons identified in the rating information database as the person who is liable for rates – generally that person is the owner of the rating unit.

**Rate postponement** means the payment of rates is not remitted but delayed until a certain time, or until certain events occur.

## Policy statement

### General

Postponements will be considered under this policy on receipt of a postponement application.

When considering any postponement Council will take into account the circumstances at the time payment was due.

Postponed rates will be registered as a statutory land charge on the rating unit title.

A postponement fee will be added to the postponed rates reflecting the administrative and financial costs of postponement.

When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council and will:

- State the amount of postponement; and
- State that a postponement fee will be charged; and
- State the timeframe or conditions upon which the postponed rates will become due and payable; and
- Acknowledge that the postponed rates will be registered as a charge against the land.
- Be signed by both parties.

### Extreme financial hardship

Ratepayers with at least 25% equity in their property, who are unable to access financial assistance from private sector financial institutions, and have applied for a rates rebate,

may be able to postpone part of the rates. The ratepayer will be required to pay the first \$1,000 of the rates.

Ratepayers applying for a rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstance.

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 his/her residence; or
- the date specified by the Council in the postponement agreement.

The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

## Farmland

Council will postpone rates on farmland where the value of the rateable unit is influenced by the potential residential, commercial or other non-rural use.

The level of postponement granted will be based on the difference between the rateable value of the rateable unit and the valuation of a comparable farmland rating unit elsewhere in the district or surrounding district, as determined by Council's valuation service provider. Council's valuation service provider's decision is final.

If the rating unit is subdivided, changes use, or sold all rates postponed and unpaid for six years or less will become payable on the issue of a resource or building consent that is not principally for agriculture, horticulture or pastoral purposes, or the issue of a separate Certificate of Title for the sub-divided land.

## Relevant delegations

With the exception of decisions required to be specifically made by Council or the relevant Council committee, the Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Western Bay of Plenty

## Discount for early payment of rates in current financial year

### Objective

To encourage early payment of rates by offering a discount to ratepayers who pay their total rates early.

### General approach

Council has Treasury risks arising from debt raising, investments and associated interest rate management activity.

Council recognises the cash flow advantage and reduced processing cost which result from early payment of rates, and offers a discount to encourage this outcome. This discount is to be set each year.

### Eligibility criteria

To be eligible to receive the discount:

- All prior year rates must have been paid and no arrears are owing; and
- Total current year rates must be paid by the discount date specified in the rates assessment resolution of Council.

### Policy procedures

The discount amount and date by which the payment must be made will be included on the rates assessment.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Rates remission for covenanted land

### Objective

To encourage the conservation of natural environments by way of a rates remission on land covenanted for environmental protection.

### Eligibility criteria

Ratepayers who own rating units may receive remission of rates on that portion of their property covenanted or designated as a protection lot, being either:

- Rating Units with a Queen Elizabeth II Trust Covenant; or
- Rating Units with Protection Lots created through subdivision processes under the Council's District Plan.

### Policy procedures

Queen Elizabeth II Trust Covenant: Ratepayers may apply upon establishment of a covenant with the Queen Elizabeth II Trust and thereafter remission will be automatic. The area of the property used for the purposes of the Queen Elizabeth II Trust covenant is defined as that portion of the property set aside and protected. This area excludes any curtilage and any area not used for environmental protection purposes.

Rating Units with Protection Lots: will automatically receive rate remission on the protected lot.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.



# Remission of rates penalties

## Objective

To fairly and reasonably apply penalties to rates received after the due penalty date resulting from circumstances outside the ratepayers control.

## Eligibility criteria

### Where there are circumstances outside the ratepayer's control:

Remission of one penalty will be considered in any one rating year where payment has been late due to significant disruption to the ratepayer's circumstances. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Remission will be considered in the case of death, illness or accident of a family member, within 60 days of the due date for payment of rates.

Council shall have regard to:

- Excellent payment history, with no penalties incurred within the previous five years; and/or
- Whether the ratepayer can provide evidence that their payment has gone astray in the past or the late payment has otherwise resulted from matters outside their control.

### Where there is limited financial impact:

At its sole discretion and without application by the ratepayer, Council may suppress penalties:

- Where trivial amounts are owing due to incorrect payment being made; or
- Where demonstrable progress is being made to pay both current rates and arrears (e.g. a fortnightly direct for a regular sum and period of time has been agreed with Council).

## Policy procedures

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates relief on Maori freehold land

## Interpretation

Māori freehold land means:

- Land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court (as defined in Local Government (Rating) Act 2002); or
- At Council's discretion, former Māori freehold land whose status was changed to general land by the 1967 Status Declaration legislation

## General approach

This policy aims to:

- Contribute to the fair and equitable collection of rates from all sectors of the community, whilst recognising that certain Māori lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates;
- Identify Māori freehold land that qualifies for longer term remission due to limited productive use or the presence of special features; and
- Implement rates remissions on Māori freehold land and write off of rate arrears and penalties, subject to the conditions and criteria set out in this policy.

## Objectives

- To recognise situations where there is no trust, person or owner gaining an economic or financial benefit from the land;
- To recognise and take into account the importance of the land for community goals relating to:
  - The preservation of the natural character of the coastal environment;
  - The protection of natural features;
  - The protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- To recognise matters related to the physical accessibility of the land;
- To avoid further alienation of Māori freehold land;
- To recognise and support the relationship with Māori and their culture and traditions with their ancestral land

- Where part only of a block is occupied, to grant remission for the portion of the land not occupied
- To facilitate and encourage economic development on Māori freehold land in order to increase the productive capacity of underutilised land, thereby generating economic or financial benefit for land owners.

## Postponement of rates

Council's policy does not provide for the postponement of rates on Māori freehold land, as security cannot be taken against Māori freehold land for postponed rates. Council will remit rates where it considers rates relief is appropriate.

## Remissions for limited productive use

Council will consider placing Māori freehold land on the Annual Remissions List where it meets the following conditions and criteria:

### Idle and unoccupied lots

Council will place unoccupied land on the Annual Remissions List where it considers that the land:

- Is idle and is not being used for any productive purpose, or may be too small to be productive;
- Does not generate any economic or financial benefit for any person; and
- Has no immediate possibility of development.

### Unique features

Council will place wholly or partially unoccupied Māori freehold land on the Annual Remissions List where it considers that the land:

- Contains indigenous forest of high ecological value;
- Provides traditional and important food source for tangata whenua;
- Provides a traditional and important source for cultural, medicinal and spiritual needs of tangata whenua;
- Has demonstrable strong spiritual and symbolic significance to iwi/hapu/whanau, above and beyond that of other Māori land;
- Includes important tribal landmarks significant to tangata whenua; and/or
- Is an important water catchment system to tangata whenua for sustaining physical and spiritual values.

Council will also have regard to whether the land:

- Has road access and/or access to other services;
- Is contiguous with forest reserves;
- Is complementary to Marae Reserve Areas (as determined by the Māori Land Court);
- Is high land or dispersed blocks of bush land;
- Offers protection of low land development and investment in roads;
- Complements water catchment areas; or
- Enhances wildlife areas.

## Remissions for economic development

Council will consider remission of rates on Māori freehold land as set out below, for a maximum period of 5 years.

The maximum rates to be written off are:

- Year 1 Not more than 80% written off in year one
- Year 2 Not more than 60% written off in year two
- Year 3 Not more than 40% written off in year three
- Year 4 Not more than 20% written off in year four
- Year 5 Full rates payable in year five

In considering any application for remission, Council will need to be satisfied that:

- The projected cash flow shows an increase in the annual cash surplus over the period;
- The projected cash flow is realistic and can be achieved;
- The economic development proposal is likely to generate sufficient cash surplus so as to cover full rates following the period of remission;
- The proposal is viable under the District Plan and any other bylaws or regulations that may apply to the proposal; and
- There are no outstanding rates arrears due on the land (Note: Council may waive this requirement at its sole discretion).

Where rates have been remitted for economic development, Council will require an Annual Report to be provided by the applicant by no later than 1 June in each year, in order for the remissions to continue in the following rating year. The Annual Report must include to Council's satisfaction:

- Annual accounts, prepared by a suitably qualified person;

- Project cash flow for the remaining rating years for which the remission applies; and
- A brief description on progress and milestones achieved in implementing the economic development proposal for which remission has been granted.

## Apportionments for multiple dwellings

Council will consider creating apportionments on land where there is more than one dwelling.

This means the rates payable will be divided pro rata, based on the area occupied by each dwelling on the land. Each apportionment will be no less than 666m<sup>2</sup>.

Where part of the land is unutilised, a separate apportionment shall be created for this residue amount. The residue shall be placed on the Annual Remission List until such a time as the land becomes utilised.

## Arrears and penalties

At Council's sole discretion, it may write off arrears and penalties for land that has limited productive use, having regard to:

- Any targeted rates applicable to the land; and
- Whether the rates are likely to accumulate to the point where they are not recoverable in a court of law after a period of six years in accordance with the Limitation Act 2010.

Residues created through apportionments may have the portion of arrears and penalties that relate to the residue written off at Council's sole discretion, having regard to (a) and (b) above.

Where Māori freehold land is not otherwise eligible for a remission under any other section of this policy, Council will negotiate with the land owner to write off all arrears and penalties if current rates are met over a period of 5 years.

## Applications for remission

Applications should be made no later than 1 June prior to the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.

All applications made for remission under this part of the policy must be in writing and include to Council's satisfaction:

- Confirmation that the land is Māori freehold land, as defined in this policy;

- Identification of each title for which the application for remission applies. This is expected to include photographs, valuation data and any relevant legal documentation associated with the land's title or status. Council reserves the right to require a site inspection by Council officers for any new applications for remission.
- Confirmation that the applicant:
  - Is identified owner for entering on rating records pursuant to Section 92 Local Government (Rating) Act 2002; and
  - Has agreement from the landowners or Trust for the application to be made.

Remission applications made for economic development must also include to Council's satisfaction:

- A description of the economic development proposal that the landowner(s) intend to undertake;
- Demonstration that the proposal is viable under the District Plan and any other bylaws or regulations that may apply to the proposal;
- Annual accounts and cash flow statements for the previous 3 years prepared by suitably qualified persons; and
- A projected cash flow prepared by a suitably qualified person, covering the period of remission the application seeks (to a maximum of 5 years).

## Policy procedure

Council staff will support Māori freehold land owners in preparing applications for remission.

Applications for remission that contain all relevant information as set out in this policy will be processed within 20 working days of receipt.

Unsuccessful applicants will be advised of the reason(s) why the application was declined, and will be given the opportunity to resubmit the application.

Annual Remission Lists shall be submitted to Council for information at the end of each rating year.

Any Māori freehold land that is granted a remission due to containing indigenous forest of high ecological value, will be entered on to Council's Bush Lots Register.

The Bush Lots Register shall be checked every four years to verify the use of land on the register has remained the same. Where the land has been developed, Council will establish status of the land in question, and determine any rates that will apply as a result.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates postponement for financial hardship

## Objective

To provide relief to ratepayers experiencing hardship from extreme financial circumstances affecting their ability to pay rates.

## General approach

Only rating units defined as residential and used solely for residential purposes (as defined by Council) will be eligible for consideration of rates postponement under the conditions and criteria of this policy.

## Eligibility criteria

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant.

Application can only be made by the person entered on Council's rating information database as the "ratepayer" or their authorised agent.

The applicant must provide a complete application, including:

- Information on the ratepayers age, any physical or mental disability, injury, illness and family circumstances;
- Confirmation that the ratepayer is the current owner of the rating unit (which is the subject of the application), and that they have owned it for not less than two years;
- Confirmation that the ratepayer uses the rating unit as their residence;
- Confirmation that the ratepayer does not own any other rating units or investment properties (whether in the Western Bay of Plenty District or in another district); and
- Verification from the ratepayer's bank as to the level of equity the ratepayer holds in the property.

Council may consider further information to support the ratepayer's case for postponement, including:

- The likely period before the ratepayer's position could be expected to improve;
- The potential for the ratepayer's situation to deteriorate further;

- The views of any other party with a registered interest in the rating unit;
- Whether there are previous arrears owing on the property;
- Whether the applicant has sought and/or obtained financial assistance through any other means;
- Whether the ratepayer is unable to meet minimum living expenses;
- Whether the ratepayer is unable to meet mortgage repayments on the property, resulting in their mortgage provider enforcing the mortgage on their property;
- Whether the ratepayer is paying for medical treatment if the applicant or dependent family member:
  - Has an injury;
  - Requires palliative care; or
  - Is suffering from a serious illness.

At its discretion, Council may request a report from a budget advisor, in order to gain independent assessment about the ratepayer's financial situation.

## Conditions of postponement

The applicant must have sufficient equity in the property to protect Council's projected rating interest in that property. The postponement of rates (when combined with any other money owing on the property) must not exceed 80 percent of the rateable value of the property.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by Council.

Consideration will also be given to postponing additional rate penalties for a period of up to 5 years to enable the ratepayer to clear rating debt, at the discretion of Council.

Council may charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made, although Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The 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.

Postponed rates may be registered as a statutory land charge on the rating unit title. This means Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## Policy procedures

Applications must be on the required form.

Council will consider, on a case by case basis, all applications received that meet the eligibility criteria of this policy.

Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates postponement for homeowners aged over 65 years

## Objective

To give ratepayers over the age of 65 years a choice between paying rates now or later.

## General approach

Only rating units defined as residential and used for personal residential purposes by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. In other cases, current and all future rates may be postponed to a date not more than 15 years from 30 June in the rating year in which application is made.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality. Therefore, the ratepayer meets the full cost of postponement.

Council will establish a reserve fund out of which any shortfall will be met between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure that neither the ratepayer(s) nor the ratepayer(s) estate will be liable for any shortfall.

## Eligibility criteria

Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (which includes, in the case of a family trust owned property, use by a named individual or couple).

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, an actuary has been engaged to develop a model that will forecast expected equity when repayment falls due.

The property must be insured for its full value and evidence of this produced annually.

## Conditions of postponement

Any postponed rates (under this policy) will be postponed until:

- The death of the ratepayer(s) or named individual or couple; or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's district, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
- Until a date specified by Council.

To protect Council against any suggestion of undue influence, applicants will be required to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate will be required before postponement is granted, confirming that the applicant understands how the rates postponement scheme works. Applicants may also wish to obtain independent financial advice as to whether postponement is the right option for their individual circumstances.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council's rating information database.

The 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.

The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made, depending on the circumstances.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that council will have first call to the proceeds of any revenue from the sale or lease of the rating unit.

## Review or suspension of policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

Any resulting modifications will not change the entitlement of people already in the scheme, or rates already postponed under this policy, until the agreed repayment date set under this policy.

However, there may be a requirement to pay future rates in the event that the policy is revoked in future.

## Policy procedures

Applications must be on the required form which will be available from any Council office.

Council notes that recipients may also benefit from other schemes.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates remission on re-zoned land

## Objective

To ensure that owners of rating units that Council has rezoned can maintain their existing rating category of Residential, Rural, Commercial or Industrial until the property in question is on-sold or otherwise alienated.

## Eligibility criteria

To qualify for remission under this part of the policy the rating unit must be situated within an area of land that has been rezoned at the instance of Council for a use that would require the owner of the property to pay more rates.

The applicant must:

- Have been the property owner prior to the zone change being initiated;
- Not have actively sought rezoning; and
- Use the property for the same purpose as prior to the zone change being initiated.

Note: For the purpose of this policy, a zone change is considered to be initiated on the date that the plan change is formally notified.

## Policy procedures

The remission will take the form of a special rateable value, based on the actual usage of the property, as opposed to its zoned usage.

Applications to Council must be made on the required form and prior to the commencement of the rating year. Applications received during a rating year will be applicable for the commencement of the following rating year, and will not be backdated.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a special rating valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the District. The ratepayer may be asked to contribute to the cost of this valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal for valuations done in this way.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates remission for contiguous land

## Objective

To provide remissions for contiguous land in common ownership.

## General approach

Rating units that meet the criteria under this policy may qualify for a remission of Uniform Annual General Charges and any targeted rate set on the basis of a fixed dollar charge per rating unit.

## Eligibility criteria

To qualify for remission under this policy:

- Units must be on land which is contiguous as defined in the Local Government (Rating) Act 2002:
  - Owned by the same person or persons; and
  - Used jointly as a single unit; and
  - Contiguous or separated only by a road, railway, drain, water race, river or stream.
- The rating units must be owned, or leased (a registered lease for a term of not less than 10 years) by the same ratepayer.
- No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.
- Both lessee and owner of contiguous properties need to confirm that the lessee will be paying the rates for the term of the lease.
- Developers owning subdivided property are specifically excluded from receiving remissions under this policy. At its sole discretion, Council may reject an application on this basis.

## Conditions of remission

The ratepayer will remain liable for at least one set of each type of uniform charge.

The rates database will be amended to reflect the lease situation in the rating year following the application for contiguity.

Remission may cease (at Council's sole discretion) where it has grounds to suspect that contiguous rating units have been created for development purposes.

## Policy procedures

Applications must be made in writing.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates remission for land used for sport and games

## Objective

To allow sports clubs (and other similar organisations) the ability to claim a 50% discount on rates payable (excludes any targeted rates for wastewater or water supply).

## General approach

Council recognises that sports clubs provide social and health benefits to their community and is therefore prepared to assist them with payment of rates.

## Eligibility criteria

The applicant must provide information so that Council is satisfied that:

- The land is owned and used by a society or association of persons (whether incorporated or not);
- For games or sport; or
- For the purpose of any branch of the arts;
- The land is not used for galloping races, harness races or greyhound races; and
- The land does not provide any private pecuniary benefit for any members of the society or association of persons that own and use the land.

The applicant will also need to provide information about any club licenses held under the Sale and Supply of Alcohol Act 2012. Where a club license is in force, Council will be entitled to separately value that portion of the property and charge full rates on it.

## Policy procedures

The above requested information will be required to be provided on first application.

Council will confirm in writing whether the applicant qualifies for the remission.

The ratepayer must notify Council in writing of any changes to its status prior to the commencement of the rating year.

Council reserves the right to cease the remission in the event that the land no longer meets the eligibility criteria of this policy.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Rates remissions for natural disasters and emergencies

### Objective

To provide remissions on land that has been subject to a natural disaster or emergency that renders the dwelling uninhabitable for an extended period of time, or has significant long term effect on the productive use of land.

### General approach

This policy is to provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

### Policy criteria and conditions

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied where:

- A dwelling is rendered uninhabitable by a natural disaster or event; and/or
- There is a significant long term effect on the productive use of Rural, Commercial or Industrial zoned land.

At its sole discretion, Council will determine on a case by case basis whether a specific event constitutes a 'natural disaster or emergency' for the purposes of applying this policy.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

At Council's sole discretion, it may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

### Dwellings

Remissions will generally be granted for a period of 90 days in relation to uninhabitable dwellings. Council may extend the period of remission if the applicant can demonstrate that the dwelling remains uninhabitable, such as classification under section 124 of the Building Act 2004.

### Productive land

Where the applicant perceives that there has been a significant long term effect on the productive use of Rural, Commercial or Industrial zoned land as a direct consequence of a natural disaster or emergency, they may apply to Council for remission. The application will need to include sufficient information to quantify the grounds for remission.

If Council is satisfied that there has been a significant long term effect as a result of a natural disaster or emergency, then a special valuation will be obtained and the property rated on that basis going forward, for time period determined at Council's sole discretion.

### Policy procedures

Applications must be made in writing by 30 June each year to be considered for remission for the following year's rates.

Where an application for a dwelling is approved by Council, the rating unit concerned will become non-rateable for the specific rating year, or a time period determined at Council's sole discretion.

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.



# Whakatane

## Remission of uniform annual general charge and targeted rates for contiguous properties

### Objectives

The objective of this remission policy is to apply the Uniform Annual General Charge and Fixed Charges on a fair and equitable basis to ratepayers. Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

- In the same ownership, and
- Used jointly as a single unit, and
- Contiguous or separated by a road, railway, drain, water race, river or stream.

This Policy provides for the possibility of a rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate. In addition, it provides for remission of uniform annual general charges (UAGCs) and/or targeted fixed charge rates where a rating unit is liable for multiple charges but it is considered inequitable or excessive to assess full charges. This Policy may also be applied to individual lots for subdivisions, before the titles are sold.

### Conditions and criteria

The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit, so long as the contiguous rating unit does not contain any habitable dwellings; or

The remission will be the uniform annual general charge plus targeted fixed charge rates, on all but one rating unit where all of these rating units are:

- subdivided into 5 or more lots where the titles have been issued; and

- owned by the original developer who is holding the individual titles pending their sale to subsequent purchasers; and
- originally contiguous or separated only by road, railway, drain, water race, river or stream.

### Rates to be remitted

Rating units that meet the criteria under this policy may qualify for a remission of the uniform annual general charges (UAGC's) and any targeted rates set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of uniform annual general charge or fixed charge.

### Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Rates remission and postponement for financial hardship

### Postponements in cases of financial hardship

#### Objective

To enable Council to provide reasonable assistance to ratepayers whose financial circumstances affect their ability to pay their rates.

#### Conditions and criteria

When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.

If after due enquiry the Council is satisfied that financial hardship exists (or would exist if the rates or a portion of the rates were not postponed, the Council may postpone part or all of the rates.

An application will only be considered where the following criteria are met:

- The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application.
- The rating unit must be the ratepayer's normal place of residence.
- The ratepayer must not own any other rating units, investment properties or other realisable assets.
- The ratepayer must make application to the Council on the prescribed form

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponement will apply from the beginning of the rating year in which the application made.

Where an application is granted, the rates will be postponed until the earlier of:

- the death of the ratepayer(s); or
- until the ratepayer(s) ceases to be the owner of the rating unit; or
- until the ratepayer(s) ceases to use the property as his/her residence; or
- until a date as determined by the Council in any particular case

The 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.

Postponed rates will be registered as a statutory land charge on the title of the rating unit.

## Remission in cases of extreme financial hardship

### Conditions and criteria

When considering whether extreme financial hardship exists, all of the ratepayers personal circumstances will be relevant including but not limited to the following factors: income

from any source, including benefits (whether monetary or otherwise) received from any trust; the ratepayers age, physical or mental disability, injury, illness and family circumstances.

If after full enquiry, the Council is satisfied that extreme financial hardship exists or would be caused to the ratepayer, by requiring payment of the whole of the rates, it may remit part or all of the rates.

If under the above the Council remits part of the rates, it may postpone the balance or any part of the balance under this part of the policy.

Any remission granted under this part of this policy will not apply to future years.

Applications must be in writing by or on behalf of the ratepayer and will only be considered where the following criteria are met:-

- The ratepayer must be a natural person
- The ratepayer must have continuously owned and occupied for not less than the immediate past ten years, and continue to own and occupy the rating unit which is the subject of the application, as their normal place of residence.
- The ratepayer must not own any other rating units, investment properties or other realisable assets

### Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

## Rates remission for outstanding rates and penalties on undeveloped sections

Remission of outstanding rates and penalties on:

- undeveloped sections, or;
- those rating units where the building(s) have been removed, or;
- where buildings are in a derelict state; and
  - where those rating units are purchased by the owner(s) of a rating unit that is contiguous to or is separated from the rating unit in question only by a road, railway, drain, water race, river or stream; and

- the two rating units are used as one residential unit, or;
- where the rating units have been subject to a rating sale under Section 67 of the Local Government (Rating) Act 2002

## Objective

The objective of this Policy is to facilitate the purchase of vacant rating units (sections) by adjoining property owners to enhance the social and environmental well-being of the community and to facilitate the land being brought back into use so that it may contribute towards the rating revenues of the District in future years.

## Conditions and criteria

The Council will postpone outstanding rates and outstanding rates penalties owing on a rating unit for a period of up to five years or until the purchaser of the rating unit applies for a building consent for the construction of a building on the rating unit, whichever comes first, as defined in the Whakatāne District Plan if:

- That rating unit is undeveloped, the building(s) have been removed or are in derelict state AND the rating unit is purchased by the owner of adjoining property such that section 20 of the Local Government (Rating) Act 2002 is satisfied; or
- The rating unit has been the subject of a rating sale under section 67 of the Local Government (Rating) Act 2002 and such sale has produced insufficient funds to clear all of the rates and penalties owing, and, in either case.

## Rates to be remitted

After a period of five years from the date any such postponement comes into effect and the rates payable from the rating unit continue to be paid in full for that rating unit for the same period the Council may remit the postponed rates in full.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Policy on the remission and postponement of rates on Maori Freehold Land

## Introduction

The aim of this policy is to recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances, which make it appropriate to remit or postpone rates for defined periods. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time, or until certain events occur.

The Local Government Act 2002 (LGA 2002) requires the Council to adopt policies for the remission and/or postponement of rates on Māori Freehold Land (section 102(4) (f)). In developing this policy, the Council must consider the matters set out in Schedule 11 of the LGA 2002. This includes the recognition that there are particular cultural, historical and legal factors that distinguish Māori Freehold Land from General Land. These factors include:

- The land is generally multiply owned; and/or
- There are legislative and cultural constraints on the ability to alienate Māori Freehold Land; and/or
- The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons; and/or
- Māori Freehold Land is not freely tradeable and is difficult to alienate (and in many cases, the owners do not want to alienate the land).

In compliance with the LGA 2002 and in recognition that the nature of Māori Freehold Land is different to General Land, the Council has formulated a Policy on the Remission and Postponement of Rates on Māori Freehold Land.

## Key definitions

**“Māori Freehold Land”** means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (Section 5, Local Government (Rating) Act 2002).

**“Unoccupied”** means, in respect of a block of land or a portion<sup>1</sup> of a block of land, that there is no person, whether with a beneficial interest in the land or not, who, alone or with others:

- leases the land, and/or
- does any of the following things on the land, with the intention of making a profit or for any other benefit
- resides on the land
- de-pastures or maintains livestock on the land
- stores anything on the land

“**Waahi Tapu**” means a place sacred to Māori in the traditional, spiritual, religious, ritual or mythological sense (Section 2 of the Historic Places Act 1993).

“**General Land**” means land that is not Māori Freehold Land as defined above

## Policy objectives

To recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.

To introduce a policy which promotes the collection of rates from owners of Māori Freehold Land in order to achieve a fair and equitable collection of rates from all sectors of the community.

## What is available?

There are three parts to this policy. Each part deals with distinct situations.

- The remission of rates on Māori Freehold Land that is unoccupied and undeveloped.
- The postponement of rates on Māori Freehold Land to facilitate the development and use of that land for economic purposes: where the Council considers that the utilisation of that land would be uneconomic if full rates were payable immediately.
- The remission of uniform charges on Māori Freehold Land as encouragement for that land to be used for agricultural purposes in conjunction with other adjacent land.

# Maori Freehold Land that is unoccupied and undeveloped

## Background

The Whakatāne District contains areas of Māori Freehold Land that is unoccupied. This land creates a significant rating burden on the Māori owners who may not have the means or in some cases, the desire to make economic use of the land.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

- the nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land); and/or
- the land has some special significance which makes it undesirable to develop or reside on; and/or
- the land is isolated, difficult to access and marginal in quality

## Objectives

Recognise situations where land has been set aside for cultural or natural heritage reason and no income is derived from the land.

To avoid further alienation of Māori Freehold Land as result of pressures that may be brought by the imposition of rates on unoccupied land.

To recognise matters relating to the physical inaccessibility of land.

To provide the ability to grant remission for portions of land that is not occupied.

To support the traditional relationship of kaitiakitanga (guardianship) to the land including the use of the land by the owners for traditional purposes.

## Conditions and criteria

The Council will consider remitting rates on Māori Freehold Land under Part 1 if the following criteria are met:

- The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002. This definition is set out above under the heading “Key definitions”

- The land is unoccupied, as defined above under the heading “Key definitions”.
- The land has been identified as requiring special treatment for rating purposes. This includes land which is:
  - Unoccupied; AND
  - it is uneconomic to use; OR
  - no tangible benefit is derived from the use and occupation of the land; OR
  - the land is inaccessible; OR
  - the community benefits from –
    - The protection of outstanding natural features on the land; OR
    - The protection of significant indigenous vegetation and significant habitats of indigenous fauna on the land; OR
    - The land contains waahi tapu affecting the use of the land for other purposes

Any application for a remission of rates is to be made in writing annually, except where a remission has been granted for a longer period OR when staff recognises that a property is unoccupied or uneconomic to use, staff may initiate the application for remission of rates so that arrears are not overstated in the Council’s records.

Where applicable, staff has the discretion to negotiate remission of rates and penalties as a tool to clear arrears and current rates.

The Council may consider a portion of a block of Māori Freehold Land to be unoccupied.

The Council reserves the right to seek such additional information from the applicant/s or from any other source as it may determine as necessary in considering that application.

## Rates to be remitted

Rates remissions (for all or part) may be applied to all rates charged on Māori Freehold Land with the exception of any targeted rate for connection to water and wastewater services or where a refuse collection service is provided.

Any approved remission will generally be for a period of one year, but may be considered for up to three consecutive rating years. With the exception, that where the Council is considering a remission of rates for past rating years, the three year maximum period of remission may be exceeded at the Council’s discretion.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Postponement of rates on Maori Freehold Land to facilitate development and use

## Background

The Council recognises that significant rate arrears can act as a disincentive to any new or existing occupation of Māori Freehold Land.

Policies for the postponement of rates for Māori Freehold Land encourage the use of the land by occupiers who agree to pay the current and future rates for the period of time that they will use the land.

Postponement means that the rates remain as a debt against the property until they are written off after six years or the status of the land changes. Whilst the rates are postponed, the Council does not seek to collect them.

This part of the policy is consistent with the objectives set out in Schedule 11 of the Local Government Act 2002, which include the need to facilitate the wish of the owners of Māori Freehold Land to develop the land for economic use

It provides for the remission of outstanding penalties and the postponement of rate arrears outstanding at the time that the agreement contemplated under this policy comes into force.

In the event that the current rates continue to be paid, the postponed rates will be remitted at the completion of the time period specified by the Council, which will not exceed six years after the date which they were charged to the land.

## Objectives

To facilitate the development and use of Māori Freehold Land for economic use where the Council considers that the utilisation of that land would be uneconomic if full rates were payable.

To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

## Conditions and criteria

The Council will consider agreeing to postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a person or persons as defined by section 96 of the Local Government (Rating) Act 2002 and that person or persons agreeing to pay the current and future rates by the due date, while they are using the land, subject to the following criteria:

The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002, set out above.

The application must be in writing signed by the owner/s, their agent, or the person or persons proposing to use the land.

The person or persons using the land must enter into an agreement in writing with the Council to keep the current and future rates up to date while they are using the land.

All previous instalments of the current years rates must be paid in full within one month of the agreement date or in part payments, by the 30th June of the applicable year OR at the discretion of the Council an agreement may be entered into with the owners or trustees of any Māori Freehold Land, which allows for the staged payment of rates over a 5-year period according to the following schedule:

- Year 1: Not less than 20% payable for that year
- Year 2: Not less than 40% payable for that year
- Year 3: Not less than 60% payable for that year
- Year 4: Not less than 80% payable for that year
- Year 5: 100% payable that year.

Any agreement negotiated under clause 4 must be supported by the following information:

- A 5-year projected cash flow prepared by a suitably qualified person, which shows the increase in annual cash surplus over the 5-year period.
- An assessment by the Council that the projected cash flow is realistic and can be achieved.
- An annual report from the owners or trustees.
- Any other documents the Council considers necessary to make an assessment.

The Council will have the sole judgement on whether or not to grant the application and may seek such additional information as it may require before making the final decision.

Pursuant to section 88 of the Local Government (Rating) Act 2002, a postponement fee may be added to the postponed rates.

## Termination and repayment of postponed rates

Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

If the current and future rates are not paid within one month of the due dates, the Council reserves the right to reapply the postponed rates to the land, subject to any agreement negotiated under clause 4 of Part 2 of this Policy.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Remission of uniform charges on Maori Freehold Land

## Background

There are situations where opportunities to utilise Māori Freehold Land for agricultural purposes in conjunction with adjacent General land or other adjoining Māori freehold land blocks used contiguously are lost due to the rating liability attached to the Māori Freehold Land.

## Objective

The intent of this part of this policy is to remove that impediment so as to facilitate productive use of that Māori Freehold Land.

## Conditions and criteria

The Council will consider remitting all uniform charges on Māori Freehold Land under this Part if the following criteria are met:

- The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002. This definition is set out above under the heading “Key definitions”

- There is agreement for the land to be used together with adjacent General land or Māori freehold land used contiguously for agricultural purposes
- Any application for a remission of uniform charges is to be made in writing annually, except where a remission has been granted for a longer period

## Rates to be remitted

Rates remissions may be applied to all uniform charges assessed on the Māori Freehold Land during the period that the Māori Freehold is utilised together with the adjacent General Land for agricultural purposes.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates remission for penalties on unpaid rates

## Objective

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the due date.

## Conditions and criteria

In this part of this policy, the term “Individuals” means ratepayers who are natural persons. Penalties will be remitted where an applicant meets any of the following criteria:

- Individuals on benefits or other low-incomes or who have been made redundant/unemployed, without substantial other means and who have exhausted all other avenues of relief
- Individuals suffering significant family disruption, e.g. serious illness or accident of self or a close family member, death of a close family member, marriage or separation/divorce
- Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft

- Individuals who are no longer able to manage their own affairs because of age and/or health and another person has assumed responsibility for the payment of accounts, etc. (Limited to one application per ratepayer)
- Individuals who contact Council prior to a penalty date to advise that they will not have funds available to pay the instalment charge until after the due date, and payment is effected within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer)
- Ratepayers who have paid within 7 days after the due date, and who have not previously incurred a penalty for late payment. (Limited to one application within any two (2) year period for any particular ratepayer)

Ratepayers where:

- There is a proven problem with the delivery of instalment notices to a particular area, i.e. letter of confirmation from New Zealand Post.
- There is a delay with overseas postage. (Limited to one penalty for any particular ratepayer)
- Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.
- Applications for remission of penalties must be in writing.
- Rates (excluding the penalty) should be paid in full before remission is considered, except where provision is made for the remission of penalties prior to full repayment where regular payment plans, extending beyond 12 months, are in place and performing satisfactorily.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates remission and postponement for a rating unit affected by a natural hazard

## Objectives

The objective of this policy is to provide short term financial assistance to residential properties through providing postponement of rates in the first instance and remission

of rates once an application has been received, to those ratepayers that have been detrimentally affected by erosion, subsidence, submersion or other natural hazard event;

Rates remission is to alleviate some of the financial pressure faced by residents that have had to move out of their homes. In these circumstances, property owners often end up incurring unexpected costs while their homes are not suitable for habitation. For some, this can affect the ability to pay their rates.

## Conditions and criteria

The following conditions and criteria apply:

- The Council may postpone and remit rates charged on a rating unit if a dwelling is detrimentally affected by erosion, subsidence, submersion or other natural hazard event to such an extent that the resident ratepayers are no longer able to reside there.
- Applications for rates remission must be made in writing and be received by Council within a period of 12 months from the date on which the natural hazard event occurred.

An application will only be considered where the following criteria are met:

- The ratepayer must be the current owner of the rating unit which is the subject of application
- The rating unit must be a residential property
- Rates remitted may exclude the following service charges: water, sewerage disposal and mobile rubbish bins

The Council may remit rates for the duration of the period that the residents are unable to reside in the dwelling for a period of up to 90 days commencing seven days after the natural hazard event.

At the end of the 90 day period, the Council may extend the remission of rates to a fixed date if applicants can demonstrate adequate reasons for not being able to inhabit the dwelling within the 90 day period e.g. section 124 notice (dangerous building) under the Building Act 2004.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this policy.

# Rates remission for community, sporting and other organisations

## Objectives

To facilitate the ongoing provision of non-commercial (business), non-profit, voluntary community and sporting services to the general public.

To assist the organisation's financial viability.

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

The following conditions and criteria apply:

- Remission may be available to land occupied or used by a non-profit organisation which provides voluntary community or sporting services to the general public.
- The organisation's purpose aligns with the Policy objectives.
- 50% remission of rates and charges, excluding those for water, sewerage and refuse disposal, will apply for organisations, including those with a permanent club liquor licence.
- Applications for remission must be made on an approved declaration form.
- An application must include:
  - A signed statement from the organisation's treasurer to prove no profit is derived from its activity
  - A statement of objectives, information on activities and programmes and details of membership of clients.
- Applications for remission must be completed every two years.
- Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remission in any future year.

## Delegation

The Chief Financial Officer and Finance Manager have delegated authority to make decisions under this.



## Review of policy

In line with the LGA 2002, Council's Policy on Remission and Postponement of Rates will be reviewed at least once every three years. The extent of public consultation will be determined in accordance with the Local Government Act and the Significance and Engagement Policy. It will also be reviewed and consulted on at any time within the three-year period where amendment to the Policy is required.

## Related policies

Significance and Engagement Policy

Revenue and Financing Policy - Funding Needs Analysis