
Rates Remissions and Postponement Policy



Adopted:	
Date last reviewed / Reconfirmed:	2009, 2012, 2015, 28/6/2018
Next review due:	
Policy type:	Governance
Reviewer	GM Corporate & Regulatory
Policy version	P166

Contents

1	Remission for properties farmed as one	2
2	Remission for additional dwellings that are unoccupied	3
3	Remission of penalties	3
4	Remission of the serviceable wastewater / water targeted rate (half charge).....	4
5	Remission of school sewerage charges.....	5
6	Remission of rates charged to utilities owned by not-for-profit organisations	6
7	Remission of rates charged to charitable organisations	6
8	Remission of rates for small dwellings.....	8
9	Remission of water by meter rates in the event of a water leak	8
10	Remission of rates for land affected by natural calamity	9
11	Remission of rates for Queen Elizabeth II National Trust Open Spaces Covenants	10
12	Remission of rates for miscellaneous circumstances	10
13	Rates postponement policy.....	11
14	Remission and postponement policy for Māori freehold land.....	11

Rates Remissions and Postponement Policy

This policy explains the conditions and criteria under which the Council might consider it appropriate to assist a ratepayer by providing rates relief.

Definitions:

- **District wide uniform rates** includes the following:
 - Uniform annual general charge
 - Parks reserves and sports grounds uniform targeted rate
 - Roothing uniform targeted rate
 - Makino Aquatic Centre targeted rate
 - Library targeted rate

- **Contiguous** properties is defined in section 20 of the Local Government (Rating) Act 2002 – “Two or more rating units must be treated as one rating unit for setting a rate if those units are:
 - a) Owned by the same person or persons; and
 - b) Used jointly as a single unit; and
 - c) **Contiguous** or separated only by road, railway, drain, water race, river or stream.”

1 Remission for properties farmed as one

1.1 Objective

This policy is to provide relief from ‘**district wide uniform rates**’ for non-**contiguous** rating units that are farmed as a single farming operation.

1.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- Ratepayers must own or occupy more than one non-**contiguous** rating unit
- The rating units must be used as a single farming operation

Note: The ratepayer must pay one ‘district wide uniform rate’ for the combined rating units and for each additional dwelling.

1.3 Application Process

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units are and will continue to be operated as a single farming operation.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

1.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

2 Remission for additional dwellings that are unoccupied

2.1 Objective

This policy is to provide relief from '**district wide uniform rates**' applicable to an additional unoccupied dwelling on a rating unit.

2.2 Conditions and criteria

The policy applies to ratepayers who have additional dwellings that:

- Are currently uninhabited and will be uninhabited for the next 12 months
- Have had the power, water and telephone services disconnected
- Are part of **contiguous** or non-**contiguous** rating units that are owned or occupied by the same ratepayer
- Each rating unit will be charged at least one 'district wide uniform rate'

2.3 Application Process

Annual reapplication is required on a form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the additional dwelling is uninhabited and will be uninhabited for the next 12 months, and that the power, water and telephone services are disconnected.

Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

2.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

3 Remission of penalties

3.1 Objective

This policy is to provide relief from the penalty incurred for non-payment of rates.

Council is to act fairly and reasonably in its consideration to provide this relief due to circumstances outside the ratepayer's control.

3.2 Conditions and criteria

The Council will remit the penalty incurred in the following circumstances:

- No other remission of penalty has been granted on the property within the current financial year

- Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the due date of the second instalment
- Instalment penalty will be remitted if a direct debit has been established to pay the rates in full by the end of the financial year

The Council may remit the penalty incurred where the application meets the following criteria:

- Remission of penalty will be considered in any one rating year where payment has been late as a result of significant family disruption. Remission will be considered in the case of death, illness or accident of a family member
- Remission of the penalty may 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 Council may remit small balances because of cash rounding
- Where the ratepayer has entered into an arrears repayment agreement for the duration of the agreement and provided that the conditions are adhered to, the account will be exempt from current instalment penalty charges and fifty percent of arrears penalties

In implementing the policy, it is conditional that the full amount of rates due has been paid and circumstances of each case be taken into consideration on their individual merits.

3.3 Application Process

Unless the remission is initiated by Council staff, all requests for penalty remissions must be in writing (including email).

3.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

4 Remission of the serviceable wastewater / water targeted rate (half charge)

4.1 Objective

This policy is to provide relief from the serviceable wastewater targeted rate (half charge) and/or the serviceable water targeted rate (half charge) charged for rating units that had an existing on-site wastewater disposal and/or water supply system prior to Council extending their reticulation system to the property.

4.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- On-site wastewater disposal and/or water supply systems were in place prior to Council extending the reticulation system to the property

Application Process

A written application is required from the ratepayer of the rating unit.

This remission will continue until such time as the ratepayer connects to the Council services available. This remission will not be approved retrospectively.

4.3 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

5 Remission of school sewerage charges

5.1 Objective

To recognise that schools may be disproportionately disadvantaged by Council's present "pan charge system" and to ensure schools are fairly charged for sewerage services based on their staff and student numbers rather than number of connections.

5.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- Schools must meet the definition of an "Educational Establishment" as defined in schedule 1 of the Local Government (Rating) Act 2002

The remission will be calculated based on the following:

- Council will remit sewerage rates by subtracting the sum of calculation (b) from the sum of calculation (a)
- Calculation (a) - Council's standard sewerage charge (based on the number of water closets/urinals)
- Calculation (b) - the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Targeted Rate for Sewerage. If the sum of calculation (b) is greater than (a) no remission will apply

5.3 Application Process

No application is required. Council will liaise with the Ministry of Education each year to obtain rolls numbers as at 1st March. The remission will be applied automatically, based on the roll numbers.

5.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

6 Remission of rates charged to utilities owned by not-for-profit organisations

6.1 Objective

To provide rates relief for utilities in differential category 6 that are owned by not-for-profit organisations or local authorities.

6.2 Conditions and criteria

The following criteria must be met to be granted this remission:

- The rating unit(s) must be a utility rated under differential category 6
- The utility is owned by a recognised not-for-profit organisation (defined by the Charities Commission or determined through common law) or a local authority

6.3 Application Process

Council will apply this remission automatically if the ownership structure of the utility owner is known. In other cases written application is required.

6.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

7 Remission of rates charged to charitable organisations

7.1 Objective

The purpose of granting rates support is to reduce the rating obligations on those charitable organisations that benefit the community.

This policy provides for additional rating support than is statutorily required through the Local Government (Rating) Act 2002 to support the arts, culture and heritage, sport and recreation and welfare, where these organisations support Council's Vision and Outcomes.

This includes those organisations whose land may be non-rateable under Schedule 1 Section 9 of the Local Government (Rating) Act 2002.

7.2 Conditions and criteria

Rates remissions for charitable organisations under this policy will be administered annually and may be made for a multi-year term to a maximum of three years.

Council may remit rates where the application meets the following criteria:

- Directly links with the Council's Vision and Outcomes; and
- A rating unit that may be owned by Council or owned and occupied by a charitable organisation, which is used principally for sporting, recreation, art or community purposes; or

- A rating unit that is leased by a charitable organisation for a period of at least one year; is used principally for recreation, sporting or community purposes, and where the organisation is liable for the payment of the Council's rates under the property's lease agreement

The definition of "charitable organisation" is a charitable entity which means a society, an institution, or the trustees of a trust that is or are registered as a charitable entity under the Charities Act 2005.

The policy does not apply to organisations that are not income tax exempt.

In allocating the rates support, Council will prioritise against the following:

- Activities that support sport and recreation.
- Activities that will attract and retain residents.
- Activities that will encourage the arts and contribute to a vibrant, thriving Manawatū.

Applications will also be assessed against:

- Opportunity for participation/accessibility to Manawatū District residents
- Compliance with previous reporting requirements.

Remission scale:

- Council may remit 50% of the total rates payable, including the annual water meter charge, for those organisations that qualify under this policy.

7.3 Application process

All applications must be submitted on the required form. Applications must be received before the end of April to apply to the following financial year. Applications will not be applied retrospectively.

Organisations who apply need to include (where applicable):

- Statement of organisation's objectives
- Current financial statement
- Proof of charitable status
- Information on activities and programmes
- Details of membership or client numbers
- Any other information that supports the application in relation to the eligibility criteria

Council will consider each application on its merits, and provision of rates support in any year does not set a precedent for similar level of support in any future years.

7.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

8 Remission of rates for small dwellings

8.1 Objective

This policy is to provide relief from '**district wide uniform rates**' for ratepayers in respect of rating units that have two or more separately used and inhabited parts, where one or more dwellings are considered to be small.

8.2 Conditions and criteria

The following criteria apply:

- Floor area of each dwelling (not including garage) is less than 65sq metres
- The dwelling(s) must be used for residential purposes only
- The dwelling(s) must be located on one rating unit

The Council may reduce each 'district wide uniform rate' charge up to 35% where an excess of one 'district wide uniform rate' applies. i.e. the first 'district wide uniform rate' will be at the full rate with 35% remission applying to each subsequent 'district wide uniform rate'.

8.3 Application process

Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the dwelling(s) have a floor space of less than 65 square metres.

Applications must be received before the end of the first quarter of the rating year. Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

8.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

9 Remission of water by meter rates in the event of a water leak

9.1 Objective

To provide relief from excess water by meter charges resulting from a water leak on a property.

9.2 Conditions and criteria

Ratepayers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it reasonable to allow a remission of water charges in these circumstances.

In certain circumstances Council may provide for relief of water by meter charges that occur as a result of leaks. The following criteria apply:

- Council is satisfied a leak on the property has caused the excessive consumption and the leak has been repaired

- The remission granted will be based on the excess water usage, less the normal consumption of water for similar periods
- The remission will apply to the quarter the leak was identified and the following quarter, providing adequate time to repair the leak. Where there are extenuating circumstances, the period of the remission may be extended
- It is the ratepayer's responsibility to maintain the water assets on their property. Recurring leaks may be an indication of systemic failure and the remission may be declined

9.3 Application process

Application must be made in writing explaining the circumstances of the situation and providing evidence of the remedial action taken to repair the leak.

9.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy, following the recommendation from the General Manager – Infrastructure or Utilities Manager.

10 Remission of rates for land affected by natural calamity

10.1 Objective

To assist ratepayers experiencing financial hardship due to a natural calamity.

10.2 Conditions and criteria

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

The Council may remit all, or part of, any rate on any rating unit where the application meets the following criteria:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit
- It is applicable for each single event. This does not apply to erosion, subsidence etc that may have occurred without a recognised major event

Council has discretion in applying this remission and may change criteria with each event. In exercising this discretion Council will consider the nature and the severity of the event and available funding at the time.

The Council may require financial or other records to be provided as part of the remission approval process.

10.3 Application process

The application process will be determined by Council at the time of determining the criteria for each event.

10.4 Delegations

An individual event or calamity is to be approved by Council.

11 Remission of rates for Queen Elizabeth II National Trust Open Spaces Covenants

11.1 Objective

To provide rates relief where land is legally protected under a Queen Elizabeth II (QE II) Open Space Covenant.

11.2 Conditions and criteria

Council may remit rates where the application meets the following criteria:

- The land, or portion of land, has a legal binding QE II Open Space Covenant registered on the title
- The land, or portion of land, is not being used for other purposes
- There are no buildings on the land

Calculation of the remission is on a case-by-case basis, with the determination of the capital value for the covenanted land to be made by Council's valuation service provider.

11.3 Application process

This remission will be applied automatically if Council is aware of the QE II Open Space Covenant. In other cases written application is required.

11.4 Delegations

The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

12 Remission of rates for miscellaneous circumstances

12.1 Objective

Council recognises that not all situations in which the Council may wish to remit rates will be provided for in Council's specific policies or necessarily be known about by the ratepayer in advance.

12.2 Conditions and criteria

The Council, rates on a rating unit where it considers it just and equitable to do so:

- The application does not meet the circumstances provided for in any of the Council's other remission policies
- Financial records may be required

12.3 Application process

Council may apply this remission if it considers the rating system is inequitable. In other cases written application from the ratepayer is required.

12.4 Delegations

The Chief Executive and the General Manager - Corporate and Regulatory have the delegated authority to approve or decline applications under this policy.

13 Rates postponement policy

Council does not have a rates postponement policy.

14 Remission and postponement policy for Māori freehold land

Council is required pursuant to section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

Section 108 of the Local Government Act 2002 prescribes that policy does not require Council to provide for remission of, or postponement of, the requirement to pay rates on Māori freehold land.

Council is aware that there is little, if any, undeveloped Māori freehold land within the District that may require a policy to provide rates relief. It is also aware that applications for rates relief that meet certain criteria can be considered under existing Council policies and legislation. As a consequence the Council will not provide for any remissions or postponements under this policy.