

RATES REMISSION AND POSTPONEMENT POLICIES



WAIROA
DISTRICT COUNCIL

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REMISSION OF PENALTIES

Objectives

- To set guidelines for Council to remit penalties.
- To encourage ratepayers to pay rates and keep payments up to date.

Conditions and criteria

Applications for the remission of penalties can be made by a ratepayer, or by recommendation from Council Officers, where it can be demonstrated that any of the following criteria is met:

- Payment is late due to significant family disruption. (Significant family disruption can include unexpected events, death, illness, or accident of a family member).
- The rates assessment notice /rates invoice was sent to an incorrect address, or it is proven that a ratepayer did not receive a rates assessment notice/ or rates invoice due to matters outside their control.
- Penalties are due to processing errors including timing differences caused by electronic bank transactions.
- A penalty is caused by a shortfall when a payment plan is in place.
- A one-off error.
- A ratepayer did not pay rates in full before a property sale was completed and a penalty has been incurred by the new owner.
- Payment was received on time but credited to a different rates assessment due to a ratepayer supplying incorrect reference details.
- There is a proven history of the rates being paid on time for the previous 2 years.

Where a ratepayer has not paid an instalment the due date and then pays the balance needed to bring rates up to date to the next instalment period (the amount less the penalty), or the total annual rates assessed for the year by the next instalment due date. For the avoidance of doubt penalty remissions will be considered on a case-by-case basis.

RATES ARREARS PAYMENT ARRANGEMENTS

Objectives

- To support repayments of rates and water rates debts.
- To encourage lump sum payments of rates and water rates debts.
- To recognise situations where an arrangement to repay rate arrears has been made, adhered to, but not concluded.

Remission Period

- Determined on a case-by-case basis.

Remission Value

- A maximum of 10% of the total debt. Consideration will be given to writing off statute barred rates arrears which have not been written off in the current financial year (A report for statute barred rate arrears has not yet been approved by Council).

Conditions and Criteria

- Ratepayers must commit to an arrangement with Council to repay rates arrears within an agreed timeframe, and
- A penalty suppression will be added to prevent ratepayers from incurring further arrears once an agreement has been made and adhered to.
- A default on the arrangement will result in the penalty suppression being lifted.
- Writing off penalties or the amount of any statute barred rates arrears can occur at the beginning of the repayment arrangement, part way through an arrangement or at the conclusion of arrangement and is considered on a case-by-case basis.

Requests for payment arrangements can be made in writing by the ratepayer or recommendation by Council officers.

ABANDONED LAND AND RATING SALES RATES REMISSIONS

Objectives

- To remit rates where rates assessed cannot be collected after proceeds have been received from an abandoned land rating sale/ rating sale.

Conditions and Criteria

- Proceeds for an abandoned land rating sale/ rating sale do not clear the rates balance needed to clear rates to the end of an instalment period before a purchaser becomes the new ratepayer.
- Rates arrears cannot be collected through normal debt collection provisions and the property will change ownership by way of an abandoned land rating sale/ rating sale.
- The amount to be written off is the difference between the amount received from proceeds from an abandoned land rating sale/ rating sale and the balance needed to clear rates to the instalment period when the vendor becomes the new ratepayer.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES IN CERTAIN CIRCUMSTANCES – NON-RURAL LAND

Objectives

Allow rates remissions where uniform annual general charges and other select targeted rates are assessed on additional rating units for contiguous or non-contiguous rating units where all requirements of s.20 of the Local Government (Rating) Act 2002 are not met.

Remission Period

- Continuous.

Remission Value

The amount of the uniform annual general charge attributable to the rating unit used in connection with the main rating unit (as if all of the requirements of s.20 were met).

The amount of other select targeted rates attributable to the rating unit used in connection with the main rating unit (as if all the requirements of s.20 were met).

Conditions and Criteria

- One rating unit is used as a private residence or a business and the additional rating unit is used solely as a garden or similar private part of the grounds in connection with the main rating unit.
- Where a private residence or business operates from more than one rating unit (location), and the additional unit is used as a single rating unit in connection with the main rating unit.
- A rating unit used for residential purposes, and includes a separately inhabited part, may be treated as one rating unit where the additional rating unit is used in conjunction with the main rating unit by a dependent member of the same family as that of the owner.
- A rating unit is used for residential purposes, and includes a separately inhabited part, may be treated as one rating unit where the additional rating unit is used by live-in caregivers, or to provide humanitarian assistance (in other words, used by persons who would normally “live in” if the
- ratepayer’s primary accommodation had been large enough in the first instance).
- The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.
- This excludes the General rate.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES FOR RURAL LAND

Objectives

- Allow rates remissions of uniform annual general charges and select targeted rates for rural land which is either contiguous or non- contiguous and farmed as a single entity, where all requirements of s.20 of the Local Government (Rating) Act 2002 are not met.
- To encourage the use of small pastoral blocks which would otherwise be uneconomic to use without the remission of the uniform annual general charge and select targeted rates.

Remission Value

- The amount of the uniform general charge attributable to the rating unit used in conjunction with the main rating unit (as if all the requirements of s.20 were met).
- The amount of other select targeted rates attributable to the rating unit used in conjunction with the main rating unit (as if all the requirements of s.20 were met).

Conditions and Criteria

- The land is vacant, has a property category code of pastoral, residential or lifestyle and is located in the rural district plan zoning area A rates remission will apply to additional rating units owned or used by a ratepayer.
- In the case of general land in separate ownership there must be some significant development that combines the two properties into one.
- The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.
- A rates remission may apply to additional rating units used by a ratepayer where the main rating unit is not owned by the ratepayer. This is on a case-by-case basis.
- This excludes the General rate.

REMISSION OF RATES ON COASTAL RURAL LAND USED FOR GRAZING OR FARMING PURPOSES

Coastal land used as farms can qualify for a rates remission in certain circumstances.

Objectives

- To recognise the special circumstances relating to the value of coastal rural land used for pastoral/ farming purposes.
- To recognise circumstances applying to situations where multiple rural properties are used as one rural property.

Remission Value

- Land and capital values will be considered for special values which may be less than that assessed by Council's valuation service provider.

Conditions and Criteria:

- Applications for rates remissions will be considered on additional rating units and not standalone rating units.
- Ratepayers making an application for rates remission should complete a signed statement confirming the land is used for farming/ grazing purposes.

RATES REMISSIONS FOR NEW SUBDIVISIONS

Objectives

- To enable subdivision development in the Wairoa district.
- To ensure unsold development land, which is in more than one parcel, but has separate valuation roll numbers, does not pay more than two uniform annual general charges and two sets of select targeted rates

Remission Period

- Maximum of five years.

Remission Value

- The amount of the uniform annual general charge attributable to the rating unit used in connection with the main rating unit (as if all of the requirements of s.20 were met).
- The amount of other select targeted rates attributable to the rating unit used in connection with the main rating unit (as if all the requirements of s.20 were met).

Conditions and Criteria

- Rates remissions will apply to development land (defined as one deposited plan) where there are more than 2 allotments.
- Subdivided rating units are owned by the same ratepayer; and
- The ratepayer on the rating information database at the time the application is made is the person who subdivided the land; and
- The land was lawfully subdivided and is vacant; and
- The land is not able to be treated as a single rating unit in accordance with section 20 of the Local Government Rating Act 2002.
- Rates remissions are available for a maximum of five years, per deposited plan and cannot be backdated to previous years. Remission will cease on rating units which remain unsold after five years of the lots being created.
- Rates remissions will cease for any allotment if any interest in the land is passed by the developer to another party, an application for a building consent is granted, or the land is developed in some other way.
- Remissions will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.
- The ratepayer will remain liable for at least two uniform annual general charges and two set of each type of targeted rate calculated as a fixed amount per rating unit.
- This excludes the General rate.

REMISSION ON LAND FOR NATURAL, HISTORIC, OUTSTANDING LANDSCAPE, CULTURAL, OR CONSERVATION PURPOSES

Objectives

To protect and promote significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites.

Conditions and Criteria

Ratepayers who own rating units which include significant natural areas, culturally significant sites, historic buildings, structures/ places and archaeological sites may qualify for a rates remission.

- Applications must be made in writing. Applications should be supported by evidence of the protected status of the rating unit.
- No person must be using the land for private pecuniary profit.
- The 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 assessed.

REMISSION OF RATES ON LAND OWNED OR USED BY COMMUNITY OR CHARITABLE ORGANISATIONS

Objectives

- To recognise circumstances where the requirements of Schedule 1, Parts 1 and 2 of the Local Government (Rating) Act 2002 are not met but it is considered unequitable not to grant a remission of up to 50% of rates.
- To facilitate the ongoing provision of non-commercial, community services which meet the needs of the residents of the district.
- To make membership of the organisations more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Remission Value

- 100% of all rates excluding those for water, sewerage and refuse disposal for rating units without a permanent liquor license.
- 50% of all rates excluding those for water, sewerage and refuse disposal for rating units without a permanent liquor license.

Conditions and criteria

- All applications must be made in writing and, if required, be accompanied by financial and other information.
- The organisation is not operating for private pecuniary profit.
- The organisations primary purpose is to address the needs of adult members who engage in recreational, sporting, or community services as a secondary purpose.

REMISSION OF WATER METER RATES DUE TO WATER LEAKS

Objectives

- To provide relief in situations where water usage is high, due to a water leak or there has been damage to the consumers internal water reticulation system which the consumer was unaware of.

Conditions and criteria

Council may remit metered water rates where all the following conditions and criteria are met:

- A written request for a remission of excess water rates has been received or a recommendation has been made by a Council officer, and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The water leak has been repaired as soon as practical, and within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after the repair.

Additionally

- The rates remission will be the difference between the average consumption of water prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.
- Any remission is limited to the period where the leak was identified and fixed.
- A rates remission will generally be granted on a one-off basis and only once in a year.
- Where a rates remission for a water leak has been granted to a property under this policy within the last year, the decision to remit water rates is to be made by the Chief Financial Officer.

POLICY FOR REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

MAORI FREEHOLD LAND RATES REMISSION

Objectives

- To promote collection of rates from Māori freehold land.
- To ensure fair and equitable collection of rates from all sectors of the community.
- To recognise the unique characteristics of Māori freehold land ownership structures.
- To recognise and meet the requirements of Schedule 11 of the Local Government Act 2002.

Remission Value

Up to 100% of all rates and arrears, except targeted rates set for water supply or wastewater disposal

Criteria

- No person shall be using the land. For multiple owned Māori freehold land with no trust administration in place persons actually using the land are liable for the rates on that land.
- For the purposes of this Part, a person actually using land means a person who, alone or with others, —
 - (a) Leases the land; or
 - (b) Does 1 or more of the following things on the land for profit or other benefit:
 - (i) Resides on the land;
 - (ii) De-pastures or maintains livestock on the land;
 - (iii) Stores anything on the land; or
- No person uses the land and no income is derived from the use of the land;
- The land is inaccessible, marginal in quality and/or unusable;
- Only a portion of the land is used or usable;
- The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use;

- The property is not used for residential purposes, and its value is significantly less than the value assessed by Council’s valuation service provider; and,
- Other provisions and matters relating to the objectives of the policy as well as those found in Schedule 11 of the Local Government Act 2002.

Exceptions for use of land:

- Where abandoned property or dwelling/s are situated upon the land;
- Where an occupation order may have been granted but has not been put into effect; and,

Where only a portion of the land is usable, rates may be apportioned- Rates remissions are considered on a case-by-case basis.

MAORI FREEHOLD LAND – WHENUA RAHUI REGISTER

Objectives

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

- To recognise and support use of land by owners for traditional purposes as well as the relationship of Māori and their culture and traditions with their ancestral lands;
- To recognise and set aside land that is better set aside for non-use for the protection of its natural features, preservation of the natural character of the coastal environment and/or protection of significant indigenous vegetation and significant habitats of indigenous fauna;
- To recognise and take account of the importance of the land in providing economic and infrastructure support for Marae and associated papakainga housing;
- To recognise matters related to the physical accessibility and/or marginal quality of the land;
- To recognise situations where there is no person or group gaining an economic or financial benefit from the land or where only part of a block is used, to grant remission for the portion of land not in use;
- To recognise situations where fragmented ownership and/or insufficient management structures make it difficult to effectively administrate the affairs relating to the land;
- To facilitate development or use of the land where Council considers rates based on the rateable value make the use of the land uneconomic; and,
- To recognise the level of community services provided to the land and its occupiers.

Whenua Rahui Register – Criteria

- No person is using the land at any time the rating unit is on the Whenua Rahui register. Persons actually using the land may be liable for the rates on the land;
- Land is better set aside for the promotion and protection of indigenous ecosystems or biodiversity management on Māori land;

- Land is used in a way that facilitates Iwi and hapū initiatives for the retention, preservation and promotion of traditional Māori knowledge, and its use in biodiversity management;
- A Whenua Rahui application should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of the Council.

Owners or trustees making the application should include the following information in their applications:

- Details of the rating unit or units involved;
- The objectives that will be achieved by providing a remission;
- Where land is in multiple-ownership or persons making application are not owners of the land, proof authorising individuals to act for owners is to be included with the application. Reasons for non-presentation are to be fully explained.
- The burden of proof of eligibility and ongoing compliance with the policy criteria and conditions rests entirely with the owner/s of the property.

All entries on the Register will be reviewed every five years and eligible rating units will need to be re-registered every five years.

- Registration automatically authorises the Council to undertake periodic inspections of the land to confirm ongoing compliance with the criteria and the conditions of this policy;
- The Council reserves the right to seek further information to confirm compliance as and when necessary;
- In the event of any portion of the land being sold within the three-year period the Council reserves the right to recover the rates remitted for the entire period;
- Relief, and the extent thereof, is at the sole discretion of the Council and may be reviewed, cancelled or reduced at any time; and,
- All applications are to be processed with 30 working days of receipt of the completed application form.

Postponement Value

Up to 100% of any of rates, except targeted rates set for water supply or wastewater disposal

Notification of Decision – Māori Freehold Land – Whenua Rahui Register

The applicant/s shall be notified in writing within 5 working days of the decision.

Appeal Process – Māori freehold land – Whenua Rahui Register

All applicants shall have a right to appeal the decision. It should be noted however, that the burden of proof rests with the applicant.

REMISSION OF RATES FOR MAORI FREEHOLD LAND UNDER DEVELOPMENT

Objective

- To enable the occupation, utilisation, and development of Māori freehold land for the benefit of its owners.
- To support the objectives of section 114A of the Local Government (Rating) Act 2002.

Remission Period

- Maximum of three years.

Remission Value

- Year 1: 100% of all rates except targeted rates except targeted rates for water supply, sewerage disposal.
- Year 2: 60% of all rates except targeted rates except targeted rates for water supply, sewerage disposal.
- Year 3: 40% of all rates except targeted rates except targeted rates for water supply, sewerage disposal.
- The full amount of all arrears and current penalties may be remitted.

Conditions and Criteria

- Evidence of development, or the intended development, must be supplied.
- Development directly relates to one of more of the following:

Benefits to the district by creating new employment opportunities.

Benefits to the district by creating new homes.

Benefits to the council by increasing the council's rating base in the long term.

Benefits to Māori in the district by providing support for marae in the district.

Benefits to the owners by facilitating the occupation, development, and utilisation of the land

Exclusions

- Land being planted for permanent carbon farming, carbon sequestration, apiculture activities and properties being renovated or enhanced for the owner's enjoyment does not constitute a development for this remission policy and rates remission does not apply.

NON-CONTACTABLE OWNERS RATES POSTPONEMENT POLICY – MAORI FREEHOLD LAND

Objectives

- To allow rates arrears on Māori freehold land to be written off to enable a change in the address for the rates assessment notices and rates invoices to be sent to (and paid for).
- To enable use of vacant Māori freehold land when there is no practical way of recovering past outstanding rates arrears.

- To enable use of Māori freehold land, when there is no practical way of contacting current owners, actual or potential preferred classes of alienees allowing person(s) to use Māori Freehold Land for pastoral or grazing purposes.

Conditions and criteria

- Rates cannot be collected, and rates will accumulate until the statutory write-off of statute barred rates arrears applies, and
- There is an undertaking to keep current and future rates up to date by the new addressee, and
- The land is vacant, has a property category code of pastoral, residential or lifestyle, is located in the rural district planning zoning area and used for grazing or farming purposes, and
- No substantial development is to occur on the land, and
- No harvesting of trees, mineral extraction or excavation is to occur on the land, and
- The land is not eligible to be entered into the Whenua rahui register, and
- Multiple attempts have been made to locate, engage with current or preferred class of alienees and facilitate the payment of rates by these owners or trustees of Māori freehold land. In the case of deceased estates all reasonable attempts have been made to contact actual or potential preferred classes of alienees, and
- There are rates arrears for at least 3 previous financial years.
- All applications are to be made in writing by the person(s) wishing to uptake this policy.
- For the avoidance of doubt any Māori freehold land that is considered to have sites of cultural or spiritual significance will not be eligible to be used by persons other than owners or trustees.

PARTIAL USE OF MAORI FREEHOLD LAND

Objective

- To provide relief to ratepayers who wish to use a portion of Māori freehold rating unit.
- To recognise an ability of a person to use a portion of (vacant) Māori freehold rating unit in as expressed in section 27(5) of the LGRA 2002.
- To facilitate the use of Māori freehold and minimise the alienation of Māori freehold.

Conditions and criteria

- The portion of unused or unoccupied land is greater than 2 hectares of the rating unit.
- The land is vacant and has a property category code of pastoral, residential or lifestyle, is located in the rural District Plan zoning area and used for grazing or farming purposes only, and
- No harvesting of trees, mineral extraction or excavation is to occur on the land.
- Carbon farming and apiculture activities are considered land use under this policy.
- Council's Valuation Service Provider will create a division of a rating unit on more than one area representing:
 - The area of the rating unit that is used by the applicant.
 - The area of the rating unit that is not used by the applicant.
- Council will levy rates on each area based on the capital value of each land area.
- The uniform annual general charge will be apportioned between each vacant area.
- The status (use or non-use) of the land will be continually monitored.

REMISSION OF RATES FOR LAND USED FOR PAKAINGA HOUSING

Policy objectives

- To provide rates relief to rural Māori freehold land used for papakāinga housing.
- To provide an alternative to low-income occupants living on Māori freehold land used for papakāinga housing when they would not be eligible to receive a rates rebate.
- To avoid the alienation of owners and occupants from rural Māori freehold land used for papakāinga housing.
- To meet the requirements of schedule 11 of the Government Act 2002.
- To assist Māori to establish papakāinga housing on rural Māori Freehold Land.

Conditions and criteria

Council recognises that the imposition of multiple uniform annual general charges and other select targeted rates might act as a deterrent to Māori seeking to use land for housing purposes.

Council will consider applications for the remission of multiple uniform annual general charges and other select targeted rates, except targeted rates set for water supply or wastewater disposal where occupation licenses, or other informal arrangements exist subject to the conditions and criteria set out below:

- The part of the land used for papakāinga must be the subject of an occupation license or other informal arrangement for the purposes of providing residential housing for the occupier, and
- The area of land must be less than 3.2 hectares and located outside the Wairoa township and have no less than three dwellings on it, and
- The land must have a property category code of pastoral, residential or lifestyle is located in the rural district plan zoning area.
- Council reserves the right to cancel the agreement if the rates remain unpaid for a period of more than 3 months.
- Each occupant must have a level of income no greater than the level of NZ superannuation used for the calculation of rates rebates in accordance with the Rates Rebate Act 1973.
- Applications must be received in writing from the owners or trustees of the land.
- The application must contain the names of the occupants of each dwelling and a statutory declaration that each occupant of each dwelling has a level of income no greater than the level of NZ superannuation used for the calculation of rates rebates in accordance with the Rates Rebate Act 1973.
- All successful applications will be granted a remission of 50% of the uniform annual general charge and targeted rate for waste management on the third and subsequent dwellings on the land that are applicable based on the pre-mentioned income level of the occupants.
- For the avoidance of doubt 100% of the uniform annual general charge and waste management rural charge will apply to two dwellings on the land.

Remission of the uniform annual general charges and waste other select targeted rates will remain in place so long as the arrangement is in force so long as the above conditions are met.

REMISSION OF RATES ON LOW VALUE MAORI FREEHOLD LAND

Objective

- To address inequity in assessing rates on low value Māori freehold land following revised guidance of rating valuation of Māori freehold land.

Conditions and criteria

- The application of a uniform lump sum adjustment of \$7,000 and any additional discounts specified in the Mangatu guidance on the Rating Valuation of Māori Freehold Land results in a discounted capital value of less than \$2000.00.

Remission value

- The amount of the uniform annual general charge and the waste management rural (or urban) charge that would otherwise be assessed against the rating unit.

