

POLICY ON RATES REMISSION 2022			
Policy Type:	Council		
Approved by:	Council		
Department:	Corporates Services		
Date Approved:	23 June 2022	Next Review Date:	Before 1 July 2024
Relevant Legislation:	Local Government (Rating) Act 2002, section 85 Local Government Act 2002, section 109		
Clutha District Council Documents referenced:	Long Term Plan 2021		

PURPOSE

This policy provides the framework for granting remission of rates and rate penalties under the Local Government (Rating) Act 2002 (the Act).

SCOPE

This policy can apply to any ratepayers in the Clutha District who meet the conditions and criteria.

POLICY

1. REMISSION OF RATES FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Objective

- 1.1. To assist where practicable, community clubs and organisations in recognition of the valuable 'public good' contribution made by such organisations to the character and well-being of the district.

Conditions and criteria

- 1.2. Council may remit rates for any organisation (for land the organisation owns or uses), for the purpose of any of the following:
- Recreation
 - Health
 - Enjoyment/leisure
 - Instruction
 - Sport/physical activity
 - Any form of culture
- 1.3. Consideration for remission includes land owned or leased to an organisation where, under the rent or lease agreement, there is an obligation to pay the rates assessed on the land.
- 1.4. The policy will not apply to organisations that are operated for private pecuniary profit.

Procedures

- 1.5. All applications for remission must be in writing and addressed to the Chief Executive. Applications must include (where applicable):
 - Statements of objectives of the organisation e.g., constitution.
 - Financial statements e.g., recent audited accounts.
 - Lease agreement (if applicable).
- 1.6. Any remission of rates will exclude rates in respect to water supply, sewage disposal or waste collection.
- 1.7. A remission of 100% will be applied under delegated authority. Where the applicant's financial information suggests that 100% may not apply the application will be referred to the Corporate Services Committee. For example, the applicant's information demonstrates they have sufficient cash reserves for current and future needs.
- 1.8. A granted remission will apply from the beginning of the rating year in which the remission is granted and continue until such time that an organisation or club no longer meets the criteria.

2. REMISSION OF RATES FOR LAND SUBJECT TO SPECIAL PRESERVATION CONDITIONS

Objective

- 2.1. To preserve and encourage the protection of land and improvements which are the subject of special preservation conditions.

Conditions and criteria

- 2.2. Rate remission under this provision of the policy relates to land that is owned or used by and subject to one of the following:
 - A heritage covenant under the Historic Places Act.
 - A heritage order under the Resource Management Act.
 - An open space covenant under the Queen Elizabeth the Second National Trust Act.
 - A protected private land agreement or conservation covenant under the Reserves Act.
 - Any other covenant or agreement entered into by the owner of the land with the public body for the preservation of existing features of land, or of buildings, where the conditions of the covenant or agreement are registered against the title to the land and are binding on subsequent owners of land.

Procedures

- 2.3. An application for remission will be considered by the Corporate & Property Committee and must be made in writing and accompanied with supporting documentary evidence of the special preservation conditions.
- 2.4. The application for rates remission must be made prior to commencement of the rating year, i.e., 1 July. Applications received and approved during the rating year will become applicable from the commencement of the following rating year.
- 2.5. The maximum available remission is up to 100% of rates but excludes rates in respect to water supply, sewage disposal or waste collection.

3. REMISSION OF RATES FOR NATURAL DISASTERS AND EMERGENCIES

Objective

- 3.1. To provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more residential rating units capacity to be inhabited, used or otherwise occupied for the period of a rating year, or more.

Conditions and criteria

- 3.2. The Council 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.
- 3.3. 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.
- 3.4. 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.
- 3.5. Applications for rates remission under this policy will be considered by a full meeting of Council.

Procedures

- 3.6. 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.
- 3.7. Where an application is approved by Council, the rating unit concerned will become non-rateable for the specific rating year.

4. REMISSION OF UNIFORM ANNUAL GENERAL CHARGES

Objective

- 4.1. To provide for relief from Uniform General Charges when:
- Two or more rating units are owned by the same person or persons; and
 - Are part of a subdivision plan which has been deposited for separate lots, or separate legal titles exists but the rating units may not necessarily be used jointly as a single unit; and
 - Each rating unit does not benefit separately from the services related to the Uniform Annual General Charge.

Conditions and criteria

- 4.2. Remission of Uniform Annual General charges applies in the following situation:
- As a result of the High Court decision of the 20 November 2000 "Neil Construction and others vs. North Shore City Council and others", in respect to unsold subdivided land, each separate lot or title is treated as a separate rating unit and such land is implied not to be used as a single unit.
 - Rating units that meet the criteria under this provision may qualify for a remission of uniform annual general charges. The ratepayer will remain liable for at least one uniform annual general charge. Each case for remission will be decided on its own facts. A granted remission will remain in force whilst all land remains contiguous.

Procedures

- 4.3. Ratepayers who consider themselves eligible for remission under this part of the policy may make application in writing to the Corporate Services Manager and will be considered by the Corporate Services Committee. All applications will be considered and where eligible remission will be backdated to the beginning of the rating year in which the application has been received.

5. REMISSION OF SUIP RATES

Objective

- 5.1. To provide a 50% remission of certain rates that are calculated per separately used or inhabited part of a rating unit (SUIP) after the first in situations where the property has mixed uses, is owner occupied and the owner resides on the property.

Remission period

- 5.2. Up to 3 years – subject to change of circumstances.

Remission value

- 5.3. 50% of the below rates (after the first).
- 5.4. The remission is only available in respect of the second (and subsequent) charge (i.e., there is no remission in respect of the first charge).
- 5.5. The rates eligible for the remission are:
- Uniform annual general charge
 - Water supply targeted rate
 - Wastewater targeted rate

Conditions and criteria

- 5.6. The ratepayer must reside at the rating unit.
- 5.7. The ratepayer must operate a business or other non-residential undertaking from a separate part of the rating unit (such part amounting to a separately used or inhabited part of the rating unit).
- 5.8. For the purposes of the uniform annual general charge, every charge above one is eligible for a 50% remission.
- 5.9. For the purposes of the water and wastewater targeted rates, every charge above one (of each of these targeted rates) is eligible for a 50% remission.
- 5.10. Applications must be made in writing to the Chief Executive.

6. REMISSION OF PENALTIES

Objective

- 6.1. The objective of this part of the 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 penalty date due to circumstances outside the ratepayer's control; or in order to ensure the settlement of outstanding rates, provided that the ratepayer has made an arrangement to pay over an extended period. It is also to enable the reduction or waiver of penalties on rates for ratepayers in temporary financial difficulty or hardship due to reduced income.

Conditions and criteria

- 6.2. Automatic remission of the penalties will apply to those ratepayers that have an agreed and sufficient (to cover current rates and arrears) automatic payment or direct debit plan in place.
- 6.3. Remission of one penalty will be considered in any one year when payment has been late due to significant family disruption. This will apply in the case of death, illness or accident of a family member at about the time rates are due.
- 6.4. Remission of the penalty will be considered if the ratepayer forgets to make payment and claims the invoice was not received or is able to provide evidence that the payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.
- 6.5. The Council may remit small balances due to cash rounding.
- 6.6. Other conditions for remission may exist and will be considered on their own merit.
- 6.7. Each application for remission will be considered on its own merits and remission will be granted when it is just and equitable to do so.
- 6.8. When significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.
- 6.9. If an arrangement to pay rates and/or clear outstanding rates is not adhered to, the Council can apply penalties from when the arrangement is breached (noting that remissions cannot be reversed).
- 6.10. Rating units that meet the criteria under this provision may qualify for a remission of uniform annual general charges. The ratepayer will remain liable for at least one uniform annual general charge. Each case for remission will be decided on its own facts. A granted remission will remain in force whilst all land remains contiguous.
- 6.11. To support the ratepayer's hardship claim the application must include evidence from their bank, accountant or registered budget advisor demonstrating reduced revenue from commercial/industrial properties, or reduced income from residential properties.
- 6.12. Ratepayer's consent to contact their bank, accountant or registered budget advisor is also required as part of the application. Penalties will be waived if the Council is satisfied that the ratepayer was in financial hardship and the ratepayer can immediately pay all outstanding rates or agree to a payment plan for outstanding rates and those due within the next six months via direct debit.
- 6.13. Decisions on remission of penalties will be delegated to officers, as set out in the Council's Delegations Manual.

Review of remissions

- 6.14. All remissions granted will be reviewed every three years, or if new information is provided, whichever is earlier. This is to ensure that the circumstances under which the remissions were granted continue to exist.

7. Version Control

Version History			
Date:	Action:	Name:	Version:
2018	Policy on Rates Remission adopted (as part of the Long Term Plan)	Council	1
25 June 2020	Update to the Remission of Penalties section of the existing policy.	Council	2
23 June 2022	Addition of the Remission of SUIP Rates section to the policy.	Council	3
1 July 2022	The Remission of SUIP Rates section of the policy (section 5) takes effect.	-	-