



POLICY ON RATES REMISSION (UPDATE)		ACTIVITY GROUP:	CORPORATE SERVICES
Policy Type:	Council		
Approved by:	Council		
Department:	Finance		
Date Approved:	25 June 2020	Next Review Date:	2023
Relevant Legislation:	Local Government (Rating) Act 2002 section 85 Local Government Act 2002 section 109		
Clutha District Council Documents referenced:	Clutha District Council Policy on Rates Remission (2018)		

PURPOSE

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.

SCOPE

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

POLICY

1. Conditions and Criteria

- 1.1. 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.
- 1.2. 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.
- 1.3. 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.
- 1.4. The Council may remit small balances due to cash rounding.
- 1.5. Other conditions for remission may exist and will be considered on their own merit.

- 1.6. 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.
- 1.7. When significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.
- 1.8. 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).
- 1.9. 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. 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.
- 1.10. Decisions on remission of penalties will be delegated to officers, as set out in the Council's Delegations Manual.
- 2. Review of Remissions**
- 2.1. 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.

Version History			
Date:	Action:	Name:	Version:
25 June 2020	Policy Adopted	Council	1
17 June 2021	Policy confirmed as part of Long Term Plan 2021 update	Council	2