

P18-002 REMISSION AND POSTPONEMENT OF RATES POLICIES

Status: Approved by the Council on 6 June 2018

Decision-making, general conditions and administrative matters related to these Policies

1. All decisions on applications for the remission or postponement of rates shall be determined by the staff provided with the delegated authority by the Council (as recorded in the Delegations Register) for section 85, 87, 114 and 115 (as relevant) of the Local Government (Rating) Act 2002 (being the Business Services Manager and Business Support Lead at the time of adoption).
 2. Any appeals against the decisions of staff shall be considered by the relevant Council committee of the day (being the Performance Committee at the time of adoption) for final determination.
 3. All applications must be received in writing on an approved application form. However, staff may accept verbal applications or applications not on an approved application form if the circumstances warrant it. No application form is required for automatic remissions provided under Rates Policies 2 or 4.
 4. Timing of remissions will be assessed on the following:
 - a. All applications for remissions received and granted under Rates Policies 1, 4, 6 and 7 during a rating year will receive remission from the commencement of the following rating year and no remissions will be backdated.
 - b. All applications for remissions received and granted under Rates Policies 3, 5 and 9 will receive remission from the date of application. An application may be backdated to cover any outstanding balance from the current rating year, but will not be backdated to cover previous rating years.
 - c. Applications for remissions received and granted under Rates Policy 2 will receive remission in relation to the penalties outstanding, and may include remitting penalties for the current rating year and can be backdated to previous rating years.
 - d. Applications for postponement received and granted under Rates Policy 3 will receive postponement from the beginning of the rating year in which the application is received. An application may be backdated to previous rating years to cover any outstanding rates if the circumstances warrant it (however, for the avoidance of doubt, no refund for paid rates will be given).
 - e. All applications for remissions received and granted under Rates Policy 8 will receive remission from the last day of receiving the applicable service.
 5. A summary of remissions approved by staff shall be supplied to the Council on an annual basis.
 6. No rates will be remitted or postponed for government owned properties (including the Crown, central government agencies or local authorities) other than under Rates Policy 8 (Rates remission of uniform annual refuse charge targeted rate).
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Rates Policy 1

Rating of community, sporting and similar organisations

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The Council reaffirms its commitment 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. The Council may remit all general rates on any rating unit that is owned or occupied by a charitable organisation, and is used exclusively or principally for sporting, recreation, or community purposes.
 2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
 3. Organisations that are not registered as charitable entities under the Charities Act 2005 must, in making an application, include the following documents in support of their application:
 - a) Statement of objectives.
 - b) Full financial accounts.
 - c) Information on activities and programmes.
 - d) Details of membership or clients.
 4. In respect of those rates referred to in sections 16 and 19 of the Local Government (Rating) Act 2002 (i.e. targeted rates), only one uniform annual sewer charge will apply and all other targeted rates will be charged at the applicable rate.
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Rates Policy 2

Remission of penalties

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The objective of this 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 and the ratepayer has made an arrangement to pay over an extended period.

Conditions and criteria

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
 2. Automatic remission of the penalties will apply to those ratepayers that pay their rates in full by the second instalment due date.
 3. 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.
 4. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
 5. The Council may remit small balances due to cash rounding.
 6. If an arrangement to pay rates and/or clear outstanding rates is not adhered to, the Council will apply penalties from when the arrangement is breached (noting that remissions cannot be reversed).
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Rates Policy 3

Postponement or remission of rates for financial hardship

Sections 85 and 87 of the Local Government (Rating) Act 2002.

Objectives of the policy

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

A. Postponement – Owner/Ratepayer

Conditions and criteria

1. Only rating units used solely for residential purposes (i.e. are in the residential rating differential and are not mixed use properties) will be eligible for consideration for rates postponement for extreme financial hardship.
 2. Only the person entered as the ratepayer on the rating information database, or their authorised agent, may make an application for rates postponement for extreme financial hardship on the rating unit which is the subject of the application.
 3. The ratepayer must not own any other rating units whether in the district or in another district).
 4. When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant including, but not limited to, the following factors: age, physical or mental disability, injury, illness and family circumstances.
 5. Before approving an application the 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 or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
 6. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
 7. The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.
 8. The postponement will continue to apply until:
 - The ratepayer ceases to be the owner or occupier of the rating unit; or
 - The ratepayer ceases to use the property as their residence; or
 - A date specified by the Council;whichever is the sooner.
 9. A rating charge will be registered on the certificate of title. The postponed rates will remain as a charge against the property and must be paid either at the end of the postponement term or when the property is sold. Postponed rates may include rate arrears owing from a previous financial year.
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B. Remission - Near Ownership Situations

Conditions and criteria

1. Property Held in Trust

- The amount of the remission will be equal to the Council's Uniform Annual General Charge.
- The applicant may have savings up to a maximum of \$10,000 for the purpose of funeral expenses.
- The applicant's sole income is from a Central Government benefit (including New Zealand superannuation) and earnings on interest from savings for funeral expenses.
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- The applicant must be the ratepayer and supply proof from the Trust Deed.
- The applicant must not be a financial beneficiary of the Trust.
- The applicant must not be eligible for a rates rebate.
- The applicant must provide an explanation and proof of hardship.
- The Rating Unit must be rated as Residential.
- The applicant must reside at the property.

2. Habitat for Humanity

- The amount of the remission will be equal to the Council's Uniform Annual General Charge.
 - The applicant must provide proof of the long term sale and purchase agreement for the property with Habitat for Humanity.
 - The applicant's sole income is from a Central Government benefit or their income is at or below the Central Government equivalent benefit and proof of income is supplied.
 - The property must not be eligible for a rates rebate.
 - The applicant must provide an explanation and proof of hardship.
 - The Rating Unit must be rated as Residential.
 - The applicant must reside at the property.
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Rates Policy 4

Rates remission on Māori freehold land

Sections 85 and 114 of the Local Government (Rating) Act 2002 and 108 of the Local Government Act 2002.

The Council only remits rates on Māori freehold land, it does not allow postponements. In determining this policy the Council has considered those matters set out in Schedule 11 of the Local Government Act 2002.

Objectives of the policy

To recognise situations where there is no occupier or no economic or financial benefit being derived from the land.

Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.

Conditions and criteria

1. The land must be multiple-owned and unoccupied Māori freehold land that does not produce any income.
 2. An application for rates remission by the owners must include:
 - a) Details of the land;
 - b) Documentation that shows the ownership of the land; and
 - c) Reasons why remission is sought.
 3. Where Council staff after due enquiries cannot find the owners of an unoccupied block, staff may automatically apply a remission without the need for an application.
 4. If circumstances change in respect of the land, the Council will review whether this remission policy is still appropriate to the land.
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Rates Policy 5

Rates remission in miscellaneous circumstances

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

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 the Council's specific policies.

Conditions and criteria

1. The Council may remit part or all rates on a rating unit where The Council considers it just and equitable to do so because:
 - a. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units, or
 - b. The circumstances of the rating unit or the ratepayer are comparable to those where a remission may be granted under the council's other rates remission policies, but are not actually covered by any of those policies, or
 - c. There are exceptional circumstances that mean the Council believes that it is in the public interest to remit the rates and where granting a remission would not create or set a precedent for other ratepayers to receive similar remissions.
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Rates Policy 6

Rates remission for protected natural areas

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The objective of this policy is to encourage the protection of natural areas by providing rates relief for privately owned land that contains special features protected for ecological value purposes.

Conditions and criteria

1. The Council may remit rates for properties protected for ecological value that meet the following criteria:
 - a. The land must be protected either by inclusion as a significant natural area in the fully operative District Plan, or by way of a protective covenant, or by other legal mechanism providing similar protection to a protective covenant
 - b. The area of land containing the special features must be readily identified and able to be measured distinctly from the total area of the property
 - c. The special features must cause significant loss of economic use or value of the property sustained in retaining the feature. Significant natural areas in the urban areas will generally not be considered as impacting the use or value of the property.
 - d. Where the property is protected by way of a protective covenant or by other legal mechanism providing similar protection to a protective covenant, the protective covenant or other legal mechanism must meet the requirements of the District Plan for legal protection of the special features
 2. The Council will remit the general rate pro-rata to the land value of the area protected to the total area of the property, with the following criteria to assess the amount of remission:
 - a. The general rate of the area pro-rata will be remitted by 50 per cent where the protected area is protected by virtue of inclusion as a significant natural area in the fully operative District Plan
 - b. The general rate of the area pro-rata will be remitted by 100 per cent where the protected area is protected by a protective covenant or other legal mechanism providing similar protection
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Rates Policy 7

Remission of uniform annual general charges on rating units which are used for residential purposes and which include a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

The policy is to provide for the possibility of rates remission where more than one uniform annual general charge is assessed on a rating unit because that rating unit comprises more than one separately used or inhabited part and where the rating unit is used for residential purposes and includes a separately inhabited part occupied by a dependent member of the family of the owner of the rating unit.

Conditions and criteria

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

1. The rating unit must be used as the owner's residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family who is dependent on the owner for financial support and occupies the accommodation on a non-paying basis (e.g. granny flat).
 2. The owner(s) of the rating unit must complete and provide to the Council a statutory declaration. Such a declaration will be effective for three years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first three year period.
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Rates Policy 8

Rates remission of uniform annual refuse charge targeted rate

Section 85 of the Local Government (Rating) Act 2002.

Objectives of the policy

To recognise that some properties within the service area may be approved by the Council (in accordance with the relevant bylaw) to not receive some or all of the Council provided refuse collection and disposal service.

Conditions and criteria

1. Some or all of the uniform targeted rate for refuse collection and disposal will be remitted where the Council has approved the property to not receive some or all of the Council provided refuse collection and disposal service under the relevant Council bylaw relating to solid waste (being Part 9 New Plymouth District Council Bylaw 2008 at the time of adoption).
 2. The amount of the uniform targeted rate that is remitted will be determined in accordance with the cost of providing the service or services not received. Where a property is approved to not receive any service then that property shall have 100 per cent of the targeted rate remitted.
 3. The imposition of charges on newly occupied residences and any remission of charges under this policy may apply from the month that the service is provided, or ceased respectively.
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Rates Policy 9

Rates remission for financial hardship as a result of changes to the rating system

Section 85 of the Local Government (Rating) Act 2002

Objectives on the policy

This policy recognises that when the Council alters parts of the rating system to achieve a more equitable distribution of rates, doing so may cause financial hardship for some ratepayers, and thereby provides a remission for affected ratepayers.

Conditions and criteria

1. This policy only applies where the Council determines to make significant changes to the rating system, including changes to uniform charges, differentials or the number of targeted rates.
 2. This policy does not apply to annual changes in rates requirements, including changes to targeted rates as a result of changes to service levels (including the imposition of a targeted rate on a property as a result of receiving a service that was not previously provided or charged to a property) and inflationary adjustment of uniform charges.
 3. The applicant must provide evidence of financial hardship as a result of the change. The following grounds can be taken into account:
 - a. The ratepayer's personal circumstances including, but not limited to, age, physical or mental disability, injury, illness and family circumstances;
 - b. Whether 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 or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses;
 - c. The ratepayer's sole income is from a Central Government benefit (including New Zealand superannuation).
 4. The amount of remission will be set as half of the difference between the property's rates for that year and the property's rate for that year if the change to the rating system for that year had not been applied.
 - a. In determining the property's rate for that year if the changes to the rating system had not been applied, the Council will use the relevant parts of the previous year's rating system (e.g. differentials, uniform charges) but will use the current financial year's rates requirement.
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