

Rates Remission on General Land Policy

Introduction:

The Rates Remission on General Land policy identifies the circumstances where the council will consider rates relief on general land.

1 COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Preamble

Section 8 of the Local Government (Rating) Act 2002 provides for certain categories of land to have rates assessed not exceeding 50% of the rates that would have otherwise been assessed. These categories of land are more specifically detailed in the Act as:

Part 2:

Land 50% non-rateable:

1. Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.
2. Land owned or used by a society or organisation of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.
3. Land owned or used by a society or organisation of persons (whether incorporated or not) for the purpose of any branch of the arts.

Notes:

For the purposes of this part, unless the context otherwise requires, **land** does not include land used for the private pecuniary profit of any members of the society or association. **Land**, in clause 2, excludes land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force.

However, in addition there are other groups which Council believes should have a remission.

Objective

To facilitate the ongoing provision of non-commercial (business) community services and non-commercial (business) recreational opportunities for the residents of Ōpōtiki district.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups – these include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria

This part of the policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit.

The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Rate remission under this policy will be limited to 50% of the general or targeted rates. No remission will be granted on the targeted rates for water supply, sewage disposal or refuse collection.

Applications for remission must be made on the prescribed form (available from the Council Office).

The application for rate remission must be made to the Council prior to April 1 for the next rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Council reserves the right to apply this remission to properties it feels fit the criteria.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- financial accounts; and
- information on activities and programmes; and
- details of membership or clients.

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria. The discretion of approving or rejecting any application is the sole determination of Council. Council may delegate the authority to make such approvals to particular Council Officers as specified by a resolution of Council.

2 UNIFORM CHARGES ON RATING UNITS OWNED BY THE SAME OWNER

Preamble

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as 1 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 a road, railway, drain, water race, river or stream.

However, sub-divided land owned by a developer while contiguous is not held for the same purpose as each lot can be sold separately to a different purchaser. This has had additional implications where properties of more than one lot are now treated as separate properties. Further there are ownership of properties which to all intent and purposes is similar and which Council consider should have relief under this policy.

Objectives

To provide for relief from uniform charges on land held by a developer or what was formerly a single property but now treated as two or more properties and properties to which the ownership, to all intents and purposes, is similar.

Conditions and criteria

Rating units that meet the criteria under this policy may qualify for a remission of uniform annual general charges and any targeted rate set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of charge.

The rating units on which remission is made must to all intents and purposes have the same owner.

Only one of the units may have any residential dwelling situated on the rating unit.

The application for rate remission must be made to the Council prior to April 1 for the next rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Council reserves the right to apply this remission to properties it feels fit the criteria.

Ratepayers wishing to claim a remission should make an application on the required form (available from the Council Office).

The policy shall apply to such organisations approved by the Council as meeting the relevant criteria. The discretion of approving or rejecting any application is the sole determination of Council. Council may delegate the authority to make such approvals to particular Council Officers as specified by a resolution of Council.

3 PENALTIES

Preamble

Council has large rate arrears and it can be an incentive to collection of back years' arrears if some concession is made in collection of these penalties. Further where owners are prepared to enter into formal payment arrangements any penalties incurred through timing of payments should be waived. There are also other extenuating circumstances where it may be just and equitable to waive penalties.

Objective

The objective of this part of the remissions policy is to:

- a) enhance the collection of back years' rates;
- b) 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.

Conditions and criteria

Automatic remission of the penalties incurred on instalments one and two will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the third instalment.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.

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. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Decisions of remission of penalties will be delegated to officers as set out in the Council's delegations resolution.

4 ECONOMIC DEVELOPMENT

Preamble

The Ōpōtiki District is one where employment opportunities have been few and far between. Council is also concerned that raw products from farming and forestry in the District leave the District for further processing. The Council wishes to attract investment in processing-type industries, and considers that rate remissions during the development phase of investment projects will assist in achieving this objective.

Objective

To promote employment and economic development within the district by assisting new business.

Conditions and criteria

This part of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.

Horticultural and residential development may qualify for remission under this part of the policy.

In considering applications for remission under this part of the policy, Council will have regard to the following criteria:

- the likely financial advantage to the district
- employment opportunities
- the extent to which developments of the particular type or types are likely to be promoted or prejudicially affected by the granting of rates remissions.

Applications must be made in writing and must be supported by:

- a description of the development
- a plan of the development (where possible)
- an estimate of costs
- an estimate of the likely number of jobs created by the development.

Applications for remission for economic development will be considered by Council. In considering applications, Council may decide to seek independent verification of any information provided on an application.

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 owing, and a maximum remission period of five years from the commencement of the development. For the purposes of this part of the policy, a project will be viewed as having commenced when resource consent is issued.

In granting remissions under this part of the policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

5 LAND USED FOR NATURAL, HISTORIC OR CULTURAL AND CONSERVATION PURPOSES

Objective

To preserve and promote natural resources and heritage to encourage the protection of land for natural, historic or cultural purposes. This policy will support the provisions of the Ōpōtiki District Council District Plan.

Conditions and criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which are voluntarily protected may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit, e.g. a copy of the Covenant or other legal mechanism.

Applications for the remission for protection of heritage will be considered by Council. In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- the extent to which the preservation or natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit
- the degree to which features of natural, cultural or historic heritage are present on the land
- the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land
- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

Council will decide what amount of rates will be remitted on a case by case basis.

In granting remissions under this part of the policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

6 RATES REMISSION FOR A RATING UNIT AFFECTED BY CALAMITY

Objective of Policy

The objective of this remission policy is to permit the Council to remit part or whole of the rates charged in any financial year on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

Conditions and Criteria

The Council may remit the rates charged on a rating unit if:

1. Land is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
2. The land is unable to support the activity for which it was used prior to the calamity, for example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property to the financial year in which the application was received. There will be no backdating of rates remissions.

Rates remissions (for part or all) may be applied to all rates charged on the qualifying properties.

7 POLICY RATE REMISSION FOR EXTREME FINANCIAL HARDSHIP

Objective of the Policy

The objective of the policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates and it is considered that the postponement policy for the same purpose is not appropriate.

Conditions and Criteria

Remissions of rates in part or in whole may be given in cases of extreme financial hardship where it is considered by Council that the postponement policy for the same purpose is not appropriate.

The ratepayer must make application to Council on the prescribed form.

The rating unit which is the subject of the application must be used solely as a domestic residence, be the normal place of residence of the ratepayer and the ratepayer must not own any other property in the Ōpōtiki or any other district. (An interest in Maori freehold land in multiple ownership is not included in this exclusion)

The policy does not apply to vacant land.

The remission will be granted to natural persons only.

Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.

The ratepayer must provide any evidence that the Council deems appropriate to support the claim for extreme financial hardship.

The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

8 WATER RATES ATTRIBUTABLE TO WATER LEAKS

In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired 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 repair of the leak.

The amount of the remission will be the difference between the average consumption of the property and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. However where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Finance and Corporate Services Manager.

Any remission over 2000 cubic meters of water is to be referred to the Council for decision.

9 APPLICATION

Applications for remissions shall be considered by Finance and Corporate Services Group Manager.