

Rates Remissions Policy

Introduction

This policy is adopted pursuant to section 85 of the Local Government (Rating) Act 2002 and section 109 of the Local Government Act 2002.

The general objectives sought to be achieved by this policy are:

- (1) The vision and goals of the Community Outcomes, particularly those supporting community development, voluntary initiatives and the protection of the natural environment, and
- (2) Equity and efficiency in the administration of the rating system.

Applications meeting the conditions and criteria laid out in the policy will be considered, each on its merits, and the outcome is a matter for Council's discretion.

The policy provides for the following classes of rate remissions:

- Part 1 Community groups
- Part 2 Voluntarily protected land
- Part 3 Penalties on rates
- Part 4 Excessive water charges
- Part 5 Remnant land
- Part 6 Rating units in industrial and commercial areas used for residential purposes
- Part 7 Land Used for Primary Industry and Rural Residential purposes in areas that have been rezoned as Residential and Business Zones
- Part 8 Small rate balances
- Part 9 Targeted rates on non-rateable land
- Part 10 Properties affected by disasters
- Part 11 Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property

- Part 12 On Bare Land
- Part 13 Council Owned Utilities
- Part 14 Contiguous rating units not in common ownership.

Part 1: Remission of Rates on Community Groups

(a) Objective

To facilitate the ongoing provision of non-governmental, not-for-profit community support services to the residents of the District.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must:

- be owned and occupied by a community support organisation;
- used primarily for the provision of community support services to the general public; and
- (except as provided in the next paragraph) not receiving any other form of rating relief.

Rating units that are 50% non-rateable under Part 2 of Schedule 1 of the Act, except for that area where a liquor license is in force, shall have 100% remission of rates other than water and sewer rates over that part of the land. Where an owner has a liquor license they are ineligible for a remission.

Other matters taken into account in determining whether a rating unit qualifies for remission will include:

- the level of rates assessed on the rating unit;
- the extent to which the primary purpose of the ratepayer is to provide services to disadvantaged groups (including children, youth, young families, aged people and economically-disadvantaged people);
- the impact of the ratepayer's activities on the social, cultural, economic or environmental well-being of the District;

- the number of members and/or clients;
- history of service to the residents of the District; and
- the rating status of similar groups.

Applications must be in writing, supported by:

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

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Each application will be considered on its merits, and if approved the value of the remission will be 100% of all general and targeted rates generally applied across the District except water and waste water. The ratepayer will be informed of the outcome of the application in writing.

Part 2: Remission of Rates on Voluntarily Protected Land

(a) Objective

To encourage and promote the conservation and protection of significant natural features.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit or part thereof must:

- be the subject of a QEII Open Space or similar DOC covenant (in which case 100% remission of all rates will apply), or the likes of a DOC Management Agreement under the Reserves Act or Conservation Act (in which case 50% remission of some or all rates may apply), and
- not be receiving any other form of rating relief.

Other matters taken into account in determining whether a rating unit qualifies for remission will include:

- the degree to which significant natural features worthy of conservation and protection are present on the land;
- the degree to which such significant natural features inhibit the economic utilisation of the land;
- the extent to which the conservation and protection of such significant natural features would be promoted by the remission of rates; and
- the ability or potential of the public to enjoy the significant natural features.

Applications must be in writing, supported by documentary evidence of the protected status.

Applications must be received prior to the commencement of the rating year.

Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department) to a value of \$2,500 Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Each application will be considered on its merits and if approved the value of the remission will be 100% if General and Targeted rates generally applied across the District except Water and Wastewater (QEII covenants only) and 50% of General and Targeted rates generally applied across the District except Water and Wastewater on others.

The Council will arrange a two-way apportionment of the rating value of the rating unit between the area covered by the application and the balance for this purpose. The ratepayer will be informed of the outcome of the application in writing.

Part 3: Remission of Penalties on Rates

(a) Objective

The objective of the Remission of Penalties 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, primarily due to circumstances outside the ratepayer's control.

(b) Conditions and Criteria

Remission of penalties on late payment of rates may be made when it is considered just and equitable to do so. In determining justice and equity, one or more of the following criteria shall be applied.

- a) Where there exists a history of regular, punctual payment over the last five years (or back to purchase date if the rating unit has been owned for less than five years) and payment is made within a 10 days following the ratepayer being made aware of the non-payment, a one-off reduction of instalment penalties may be made.
- b) Where an agreed payment plan is in place, penalties may be suppressed or reduced, where the ratepayer complies with the terms of the agreed payment plan which include payment by direct debit. In the event that the agreement is not maintained, Council reserves the right to levy future penalties.

- c) Where the rates instalment was issued in the name of a previous property owner. The rating unit has a new owner who has been given insufficient notice of invoice due date.
- d) Where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment, on compassionate grounds.
- e) Where an error has been made on the part of the Council staff or arising through error in the general processing or incorrect rates being applied which has subsequently resulted in a penalty charge being imposed.

(c) Process

- a) A ratepayer may request in writing that the penalty applied for late payment be remitted.
- b) Each application will be considered on its merits, and if approved, the value of the remission may be all or part of any penalties incurred.
- c) Applications may also be at the initiative of the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department).
- d) Applications will be determined by the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Part 4: Remission of Excessive Water Charges

(a) Objective

To enable Council to act fairly, reasonably and consistently in its assisting ratepayers who have excessively high water rates due to a fault in the internal reticulation serving their rating unit.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must have incurred excessive water charges attributable to a fault in the internal reticulation serving the rating unit.

Applications must be made in writing, with verification that the fault has been rectified (e.g. a plumber's bill).

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department) to a value of \$2,500 Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Assessment of the excessive water charge will take into account:

- the charges for normal levels of water consumption; and
- the time taken to have the fault repaired.

Each application will be considered on its merits, and if approved the value of the remission will be half of the value of the excessive consumption.

The ratepayer will be informed of the outcome of the application in writing.

Part 5: Remission of Rates on Remnants of Land

(a) Objective

To enable Council to act fairly and equitably in the assessment of rates on what are determined for these purposes to be remnants of land.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must:

- comprise a piece of land that does not warrant the assessment or invoicing of rates
- not be the subject of any other form of rating relief.

Matters taken into account in determining whether a rating unit qualifies for remission, and a guide as to what may be expected to qualify as a remnant, will include:

Matter taken into account	Example for guidance
Area	Only a few square metres
Location	Remote, landlocked
History	Unintended remnant of subdivision
Ownership	Indeterminate
Rateable Value	Nominal
Potential Uses	Nil

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July.

Applications will not be backdated.

Applications may be at the initiative of the Group Manager – Finance, Finance Manager, or Rates Officer or in writing from the ratepayer.

(c) Process

Applications will be considered and determined by the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Each application will be considered on its merits, and if approved the value of the remission will be the whole of the rates that would otherwise be assessed on the rating unit. The ratepayer will be informed of the outcome of the application in writing.

Part 6: Remission of Rates on Rating Units in Industrial and Commercial Areas Used for Residential Purposes

(a) Objective

To ensure that owners of rating units situated in commercial or industrial areas used for residential purposes are not duly penalised by the zoning restrictions of this Council and previous local authorities.

(b) Conditions and Criteria

To qualify for consideration for remission under this part of the policy the rating unit must:

- be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine the zoning of their property by inspecting the District Plan, copies of which are available from the Levin office, Te Takeretanga o Kura-hau-pō and the Shannon and Foxton libraries. Alternatively the District Plan is available for viewing on the Council website www.horowhenua.govt.nz.)
- be rated the same as an equivalent urban rating unit;
- have an excessive rateable value in comparison to similar residential rating units in the vicinity; and
- not be the subject of any other form of rating relief.

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July.

Applications will not be backdated. Applications must be made in writing.

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Each application will be considered on its merits, and if approved the value of the remission will be given effect by the determination by Council of a special rateable value.

The ratepayer will be informed of the outcome of the application in writing.

Part 7: Rates Remission on Land Used for Primary Industry and Rural Lifestyle purposes in areas that have been rezoned as Residential and Business Zones

(a) Objectives of the policy

The objectives of the policy are:

1. To provide rates relief in respect of land used for primary industry and rural lifestyle purposes where rating units greater than 659m² (or rating units, including residential use rating units, that are able to be subdivided under the operative District Plan) where the Council is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential, commercial or industrial development.

2. To preserve uniformity and equitable relativity with comparable parcels of land used for primary production and rural lifestyle purpose land, that is able to be subdivided, in the district where the valuations do not contain any “potential value”.

(b) Conditions and criteria

The Council will remit value based rates on land used for primary industry and rural lifestyle rating units greater than 659m² and rating units, including residential use rating units, that are able to be subdivided creating saleable lots under the operative District Plan as a Controlled Activity in the Residential, Greenbelt Residential, Commercial and Industrial zones or in the case of the Greenbelt Residential (Foxton Beach North Overlay) Zone as a Limited Discretionary Activity, where it is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential, commercial or industrial development.

1. For the purposes of this policy, “land used for primary industry” means land that is classified by the Office of the Valuer General as being used for primary industry under Clause C.3.4 primary Level use code 1 in Appendix C of the Rating Valuation Rules 2008, is used exclusively or principally for agricultural, horticultural, or other pastoral purposes or for the keeping of bees or poultry or other livestock; and “farming purposes” has a corresponding meaning. This may include land used for dairy farming, stock fattening, arable farming, storage of livestock, market gardens and orchards, specialist livestock, forestry, mineral extraction and vacant/idle land.
2. For the purposes of this policy, “land used for Rural Lifestyle purposes” means land that is classified by the Office of the Valuer General as being used for lifestyle use under Clause C.3.4 primary Level use code 2 in Appendix C of the Rating Valuation Rules 2008. This does not include residential properties in rural areas or rural lifestyle properties that are too small in area to be subdivided under the operative District Plan as a Controlled Activity.
3. For the purposes of this policy, “land used for Residential purposes” means land that is classified by the Office of the Valuer General as being used for residential use under Clause C.3.4 primary Level use

code 9 in Appendix C of the Rating Valuation Rules 2008. This does not include residential properties formerly zoned as rural or lifestyle properties that are too small in area to be subdivided under the operative District Plan as a Controlled Activity.

4. Rating units for which a subdivision consent has been approved or lodged and under consideration by the Council shall not be eligible for rates remission under this policy.

(c) Process

The process for seeking rates remission is as follows:

1. On written application from the ratepayer of any rating unit that is:
 - a) located in a zone in the District Plan other than the Rural zone, and is
 - b) land used for primary industry, or
 - c) land used for rural lifestyle purposes, or
 - d) land used for residential purposes that are able to be subdivided.

The Council will request its Valuation Service Provider to issue a special “rates remission value” for that rating unit.

2. The rates remission value will be determined so as to:
 - a) exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial or industrial use; and
 - b) preserve uniformity and equitable relativity with comparable parcels of land used for primary industry, rural lifestyle and residential purposes the valuations of which do not contain any such potential value.
3. Rates remission special values allocated under this policy are final and there is no right of objection against the level of valuation. (The owner still has the right to object to the rating valuation of the property where those values have been determined under the Rating Valuations Act 1998).

4. Where a rates remission value has been determined, the payment of rates will be remitted to the extent specified in clause (5) of this policy.
5. The amount of rates remitted in any year shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates remission value of the property were its rateable value.
6. Notice of the amount of rates remitted shall be expensed and entered as a credit to the rates owing in the rating records and will be notified with the rates assessment issued in respect of that rating unit.
7. Subject to the rates remission value remaining in force, rates will be remitted from the commencement of the rating period in respect of which they were made and levied.
8. Rates remission will apply from the beginning of the rating year following the period in which the rates remission application is approved and will not be backdated to prior years. However, in the event that an application is approved prior to 1 August, rates remission may apply from the beginning of the financial year in which the application is approved.

The following delegations apply in respect of:

- *Group Manager - Finance or Finance Manager, - to approve remissions which meet the requirements of this policy.*
- *Chief Executive and/or the Chairperson of the Finance Sub-committee, – to hear and make a final decision on any appeal on an application for remission that has been declined.*

Part 8: Remission of Small Rates Balances

(a) Objective

To save Council the costs of processing rates of uneconomic value.

(b) Conditions and Criteria

To qualify for remission under this part of the policy the rating unit must have a balance of less than \$5 owing on a general or targeted rate as at 30 June in any year.

Applications may be at the initiative of the Group Manager – Finance or Finance Manager, or Rates Officer or in writing from the ratepayer.

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manager acting under delegated authority.

Each application will be considered on its merits, and if approved the value of the remission will be the whole of any outstanding rate of \$5 or less at year end.

Part 9: Remission of Targeted Rates on Non-rateable Land

(a) Objective

To balance user-pays, equity and community interest in the assessment of targeted rates on non-rateable rating units.

(b) Conditions and Criteria

To qualify for consideration for remission under this part of the policy the rating unit must be:

- *non-rateable*
- *otherwise liable for rates for services described in s.9 of the Local Government (Rating) Act 2002 (i.e. rates for water supply, sewage disposal or waste collection).*

Determinations will not be backdated.

(c) Process

Decisions will be made by way of policy determinations by Council in respect of a type of ratepayer or rating unit. The value of the remission will be the whole or part of any or all of the applicable rates.

Under this policy targeted water rates are levied by way of the normal water rates in the case of non-rateable residences, libraries and halls, but by metered water consumption in all other cases.

Part 10: Properties Affected by Disasters

(a) Objective

To provide rating relief to ratepayers whose property has been affected by a disaster event.

(b) Conditions And Criteria

To qualify for remission under this part of the policy a rating unit or part thereof must be

- *Affected by a disaster event such as a flood, storm, earthquake, subsidence; and*
- *Rendered incapable of normal use by the ratepayer for a certain period.*

Other matters taken into account in determining whether or not the rating unit qualifies for remission, and the extent of such remission, will include

- *The impact(s) of the disaster event on the property, and*
- *The duration of such impact(s)*
- *The extent to which the losses were insurable.*

Applications must be in writing, either from the applicant or at the initiative of an officer of the Council.

(c) Process

Applications will be considered, and decision made, by Council.

No remission will be made before further guidelines specific to the disaster event are established.

Such guidelines will take into account the extent of funding available from which to make any remissions, and may cover such factors as:

- *Special conditions and criteria, including any period for which a property may have been incapable of normal use*
- *Special application forms and information to be provided*
- *Deadlines for applications*
- *The extent of remissions to be made, whether on a fixed sum, percentage, sliding scale or other basis*
- *The appointment of an advisory committee to assist in the consideration of applications, if appropriate.*

Each application will be considered on its merits, and in the context of guidelines established in response to the disaster event.

The ratepayer will be informed of the outcome of the application in writing.

Part 11: Rates Remission for Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property

(a) Background

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council.

Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

(b) Objectives

To provide a positive development incentive by supporting the development and holding of subdivision land for residential and rural lots by remitting all rates levied using fixed (uniform) charges on unsold development land where each separate lot or title is treated as a separate Rating Unit.

(c) Conditions and Criteria

This remission applies to unsold subdivided land, where each separate lot or title is treated as a separate Rating Unit, and such land is implied to be not used as a single rating unit under s20 of the Local Government (Rating) Act 2002.

1. The rating units must have been created in accordance with Council's subdivision development requirements and have been granted a subdivision consent.
2. The rating units must be vacant land i.e. the rating unit does not contain any habitable dwelling.
3. The rating units on which remission is applied must be owned by the same ratepayer who must be the original developer
4. Rate remission to the extent of fixed (uniform) charges for unsold subdivided land.
5. Remission shall cease for any allotment if any interest in the land is passed by the developer to another party. Remission ceases from the end of the year in which the change in title occurs.
6. Application must be submitted in writing and submitted to Council prior to the commencement of the rating year (i.e. before 30 June).
7. The ratepayer will remain liable for at least one "set" of fixed (uniform) general and/or targeted rates.
8. Remissions will not apply to Water, Stormwater and Sewerage targeted rates.
9. Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision.

10. From 1 July 2015 any remissions will only apply for a period of five years and then be reviewed. Remissions will not be granted in retrospect for previous years.
11. Decisions on remission under this policy will be delegated to the Group Manager–Finance, Finance Manager (or equivalent positions).

Part 12: Remission of Rates on Bare Land

(a) Objectives:

To reduce the rates burden on bare, uninhabited land, where the owner of the rating unit is not able to use the services funded from targeted rates. Council may remit any rate set using a fixed (uniform) charge in respect of one or more rating units owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database) if it considers it reasonable in the circumstances to do so.

(b) Conditions and Criteria

1. Rating units must be owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database).
2. Council may remit any rate set using a fixed (uniform) charge on rating units considered to be bare land, provided that the ratepayer pays at least one "set" of the rates set using a fixed (uniform) charges within the District.
3. Bare land is defined as rating units with no habitable improvements. For the purposes of this policy forestry blocks (without habitable buildings) are deemed to be bare land.
4. Decisions on remission under this policy will be delegated to the Group Manager–Finance, Finance Manager (or equivalent positions).

Part 13: Remission Rates for Council Owned Utilities

(a) Objectives

To avoid incurring the rating costs to Council that would be indirectly recovered from other ratepayers.

(b) Conditions and Criteria

Utilities (i.e. water, stormwater and wastewater) owned by the Horowhenua District Council will receive 100% remission of all rates that have been set, which includes any rate set using a fixed (uniform) charge.

Part 14: Remission of any rate set using a fixed (uniform) charge on contiguous properties

(a) Objectives

To enable Council to act fairly and equitably with respect to the imposition of any rate set using a fixed (uniform) charge on two or more separate rating units that are contiguous, but separately owned and used jointly for a single residential, business or farming use.

(b) Background

This policy has been developed to provide for the remission of rates in situations where two or more rates set using a fixed (uniform) charge, are assessed on contiguous, but separately owned rating units which are being used jointly as a single property or business.

The circumstances where an application for a remission of charges will be considered are:

- residential dwelling and associated garden and ancillary buildings where the property occupies a maximum of two rating units and those rating units are used jointly as a single property.
- A farm that consists of a number of separate rating units that are contiguous.
- A commercial, retail or industrial business that operates from more than one rating unit where those rating units are contiguous and are used jointly as a single property.
- However, Council's "Separately Used or Inhabited" (SUIP) definition will still be applied.

(c) Conditions and Criteria

Applications under this policy must be in writing, signed by the ratepayer and must comply with the conditions and criteria set out below.

1. The rating units must be contiguous.
2. The rating units must:
 - a) In the case of a residential property, be owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database) who uses the rating units jointly as a single residential property.
 - (i) A vacant section adjoining a residential lot does not comply.
 - (ii) The individual areas of the rating units concerned must not exceed the size of a typical residential lot.
 - b) In the case of a farm, be owned by the same owner (as recorded on the certificate of title and recorded in the Rating Information Database) or be leased, from other owners, for a term of not less than five (5) years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation.
3. The Council may on written application from a rate payer of such rating units remit any rate set using a fixed (uniform) charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
4. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and Council's decision on the matter is final.
5. The Council reserves the right to determine that any specific targeted charge will be excluded from this policy.
6. Remissions will not apply to Water, Stormwater and Sewerage targeted rates.
7. Each application will be considered in line with the general guidelines; however, individual circumstances may vary and could influence the final decision
8. Decisions on remission under this policy will be delegated to the Group Manager–Finance or Finance Manager (or equivalent positions).